



Who gets credit?



**(SUIAP*) gets the credit
for saving one manufacturer
\$22,000 a year!)**

Providing fast and accurate credit authorization is just one of the cost-cutting, profit-building features of SUIAP, the Remington Rand **Simplified Unit Invoice Accounting Plan* for Accounts Receivables. The *elimination of all postings* is another. SUIAP saves in dozens of ways—by eliminating accounting machines and monthly statements... by speeding up charges and credits as much as 60% and reducing proportionately the number of employees handling them... by providing a system of

automatic, up-to-date collection follow-up.

To find out how SUIAP saved \$22,000 for one manufacturer the very first year it was installed (and a comparable amount each succeeding year), write for CH931. To learn more about SUIAP itself, ask for Booklet KD554. Write Room 2125, 315 Fourth Avenue, New York 10, New York.

Remington Rand
DIVISION OF SPERRY RAND CORPORATION

EDITOR'S MAIL

A Monthly MUST

"Reading CREDIT AND FINANCIAL MANAGEMENT from cover to cover is a monthly MUST for me. I particularly enjoy your 'Washington Page' and the 'Credit Problem and How It Was Solved' that frequently draws a parallel with cases in which we have been involved."

ELMO TRIMBLE

Secretary-Treasurer, Wilson Paper Company, Los Angeles, California

Appreciative

"I have appreciated very much the 'Credit Problem' feature articles as they appear month by month."

L. E. BARRETT

Treasurer, George Frost Co., Boston, Mass.

Inspired

"I was most inspired by the editorial, 'Spiritual Values,' by Henry H. Heimann. The need of practicing our religion in our business is something in which both my husband and I firmly believe.

"We started five years ago at the formidable ages of 55 and 60 and have a young man with us on a profit-sharing basis, which we believe is one of the first requisites of practicing the religion-in-business idea. Five years have demonstrated that we can give our customers a square deal, pay our bills on time and have a bit left to live on and give."

HELEN CRACRAFT SILER

Tillicum Lumber Company, Bellevue, Wash.

Reprinting "Checklist"

"The 'Checklist to Guide Management to Insurance Coverage' (October, 1954, CFM) and the article we found very informative. The thought has occurred to us that we should provide copies of the 'Checklist' to our large dealer and jobber customers. We would like to obtain your permission to reprint."

D. A. HOGBEN

General Credit Department, The British American Oil Company Limited, Toronto, Canada

*An ad
worth remembering...*

UNIVERSITY
OF MICHIGAN

OCT 31 1955

BUSINESS ADMINISTRATION
LIBRARY

FOR QUALITY PROPERTY INSURANCE SEE YOUR HOMETOWN AGENT!

I buy by brand—do you?



"I buy by brand.
In the long run, I have found, you get
more for your money—make fewer mistakes.

"That's the only way to buy insurance, too.
After a fire or other loss it is much too late to
find out if you have made a mistake. That's why we talk to our agent
at least twice a year and take his professional advice on what
types of protection we really need.

"On his recommendation, our home, car and other property are
insured by The Home Insurance Company. It's a friendly
company, and that's important to us. We may never have a loss,
but if we should, we'd rather be dealing with The Home.

"It's quality insurance—and real peace of mind."

Now, See Your HOMETOWN Agent

THE HOME
Insurance Company



ORGANIZED 1853

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

A stock company represented by over 40,000 independent local agents and brokers

Home Office: 59 Maiden Lane, New York 8, N. Y.

FIRE • AUTOMOBILE • MARINE

The Home Indemnity Company, an affiliate, writes

Casualty Insurance, Fidelity and Surety Bonds

</div

Editorial



Abundance a Blessing

ONCE again we have had an abundant harvest. General crop failure has scarcely been known in the past decade. The mechanization of farms, improved fertilization and general farm knowledge have brought forth more abundant crops on a smaller acreage of planting. Government storage bins, granaries and warehouses, including laid-up ships, are full of grain. The storage facilities of the farmer are filled to overflowing.

To be sure, these large crops and the government's farm program have made for a tremendous surplus and a difficult financial problem. The crops cannot be sold abroad at American prices. To sell them at less is irritating to other countries; such programs are considered dumping, and "dumping" practices are strenuously objected to everywhere.

Despite all this, plentiful crops are a blessing. We can make an effort to distribute the food we have. That is not easily done, but it is much better to be thankful for the providential blessings of abundance than to suffer in famine. The world needs our surplus. Our government, business people and farmers are working day and night to find ways and means by which we can share these necessities of life with the less fortunate. This is a difficult task but much more pleasant to solve than one of doling out a scanty supply of crops, as would result from a famine or a drouth.

There is one feature to our problem of surplus agriculture production which in the midst of this plenty we will have to eliminate. It is a fact that parity payments have put the emphasis on quantity rather than quality production. It is alleged that good milling wheat for flour is scarce. Such good milling wheat now commands a considerable premium in the market.

Yes, we can be thankful this Thanksgiving Day, and forever after, if we never have any more serious problems than those that arise out of a crop surplus. To have more than enough to eat well and to have the money to buy it is indeed a blessing.

A handwritten signature in black ink, appearing to read "Henry H. Heimann". The signature is fluid and cursive, with a large, stylized 'H' at the beginning.

HENRY H. HEIMANN,
Executive Vice President

THE NOVEMBER COVER

"SOLD OUT" to 85 per cent of its exhibitor capacity at the time we go to press is this year's National Business Show, which spills over into two of New York City's armories for five days from October 24th to 28th. In 1954, visitors to the show, which is sponsored by the Office Executives Association, numbered 88,000.

Presenting what is new, not merely for the sake of novelty but for increased efficiency, the exhibition will show products from filing supplies to large-scale equipment, with duplicating and reproduction devices emphasized. Because the exhibition date coincides with the mailing date of CFM, the show cannot be covered in this issue. Last year the Show was in late September.

Most spectacular development in the past year has been in the electronics office equipment field, to which CFM devotes much of this



issue. Spotlighted on our cover this month is the Remington Rand Univac in action. Shown in the background is the central computer. In the foreground is the supervisory control panel which gives the operator a continuing picture of the computer's operations. The control printer, at the right behind the operator, is used for printing out spot results, or to permit the computer and the operator to communicate with each other. The mercury memory, in which all information being processed is stored for instantaneous access, is inside the central computer cabinet.

At the right are the Uniservos, high-speed tape-handling mechanisms that feed information into the computer and take away the finished results. An employee is shown mounting a reel of magnetic metal tape on one of the Uniservos. One reel of this tape holds 1,500,000 alphabetic or numeric characters. Auxiliary equipment for preparing this tape or printing out the results is not shown.

CREDIT and FINANCIAL MANAGEMENT

DEVOTED TO INDUSTRY • FINANCE • COMMERCE

General Manager, Edwin B. Moran
Official Publication of The National Association of Credit Men

VOLUME 57

NUMBER 11

IN THIS ISSUE

	Page
Abundance a Blessing—Editorial by Henry H. Heimann	4
Washington	6
Electronics: 10 Billion Dollar Baby	8
Trends	11
Credit Problem	12
Billion Papers a Year, Railroad Adopts Electronic Computer	14
Character Recognition	16
Voucher Check Control	18
New Duplicator System Solves Customer Service of Bank's Loan Department	20
Chemical Reactions Move Fast, So Company Adopts Automation and Speeds Office Flow	22
Styling, Savings and Wastebaskets	24
11-Day Job Cut to 3 Hours with Medium-Size Computer	26
Book Reviews—Efficiency Tips—Keeping Informed	28
Modernizing for Office Efficiency	30
Legal Rulings and Opinions	34
Calendar of Important Events	38
Up the Executive Ladder	42

EDITOR Ernest A. Rovelstad

ASSOCIATE EDITOR

Lillian Bermont

CONTRIBUTING EDITOR

Carl B. Everberg, Atty.

ADVERTISING & BUSINESS

MANAGER Edwin B. Moran

Second class mail privileges authorized at Mount Morris, Ill.

Subscription price \$3.00 a year, 25¢ per copy; Canada, \$3.50; all other countries, \$4.00 postpaid. Copyright 1955 by The National Association of Credit Men, which is responsible only for official Association statements and announcements printed herein. Printed in the United States of America.



Publication Office:
404 N. Wesley Ave., Mount Morris, Ill.

Editorial, Advertising and Executive Offices: 229 Fourth Ave., New York 3, N.Y. ORegon 4-5100. **Midwest Office:** 33 So. Clark St., Chicago 3, Ill. ANDover 3-3096.

(Address all editorial and advertising material to the New York office.)

WASHINGTON



With the volume of insured farm ownership loans 80 per cent higher in the last fiscal year than the amount insured in any previous year, the improvements under the new Public Law 273 should make the loans even more attractive and so make more funds available to farmers, says Ezra T. Benson, secretary of agriculture.

The loans no longer will be classified as real estate loans and so lenders "can participate to a greater extent," he explains, and "it will be easier for lenders to assign the loans," as the measure makes unnecessary the preparation and recording of an assignment form each time a loan is transferred to another lender.

ANOTHER STEP in the Government's moves to shorten the reins on easy credit was the action of the Federal Home Loan Bank Board directing the 11 district banks to advise savings and loan associations hereafter to meet future loan demands out of savings and loan repayments only. Walter W. McAllister, board chairman, pointed out that "the tremendous increase in lending by the savings and loan associations, without a corresponding increase in net savings, was resulting in inflationary lending of money borrowed from the federal system."

THESE three months will see an outlay of \$7.3 billions by business for new plants and equipment, says a Government survey. This would be \$400 millions less than the expenditures in the third quarter, but the annual total would reach \$27.9 billions, 4 per cent higher than last year though 1 per cent under the 1953 record of \$28.3 billions.

How the owner of a small business can appeal from income tax findings by the Internal Revenue Service is outlined in a new leaflet, "Appeal Procedure for Income Tax Cases," available at all field offices of the Small Business Administration. If the owner objects to the tax liability found by the Internal Revenue he may appeal both in the IRS and the United States courts. Among steps discussed are the formal protest, appellate procedure and the tax court, and procedure to follow after the 90-day period.

PRODDED by export competition, "there have been too many cases in which credit has been offered at medium or even short term to induce purchases of capital goods which can be amortized only at long-term, and for products whose economic merit has not been carefully appraised

by either the lender or the borrower," declared Eugene Black, president of the International Bank (World Bank), at the annual meeting, held in Istanbul.

CALLING for "a single standard of employee conduct" and vigilant attention to avoiding any semblance of impropriety in relations with the business community, the department of commerce jells the findings of a year's study by a task force of the assistant secretary for administration with a departmental order (No. 77) stressing that "no public officer can lawfully engage in business activities which are incompatible with the duties of his office."

Furthermore, "the close and sensitive relationship between the department and the nation's business community calls for special vigilance on the part of all officers and employees to avoid even any appearance of impropriety."

Besides outlining statutory limitations relating to public officers' business activities for compensation, the order states regulatory limitations on private business transactions or private arrangements for personal profit, including economic interests, private speaking, writing, teaching and consultative services.

OFFER of up to a million bales of short staple cotton stocks sometime after Jan. 1, 1956, while continuing to price cotton for export at the same level as domestic sales prices, as a policy, was announced by the department of agriculture, in the main thus upholding the position of the state department.

NEW ORDERS for vessel construction for American shipyards will total \$500 millions by August of next year if advanced plans materialize, according to Clarence G. Moore, maritime administrator. The working out of this potential, he added, depends on acceptable subsidy arrangements and on fund appropriations for the Government's part in the program.

THE international cooperation administration is not permitted to reduce fees, under its investment guaranty program, to American foreign investors who prior to October 15, 1954, had contracted for the guaranties, unless the substitute contract brings an advantage in some direction to this Government, Controller General Joseph Campbell ruled.

SAFE *All assets adequately insured*

UNSAFE *No insurance — or under insured*

In times past; when granting a loan or extending credit, bankers and credit executives had to be satisfied with evidence of then existing assets for security. As to the permanence of the assets against unpredictable loss from accidental causes, until the transaction was completed, they had to gamble.

Today, behind the whole structure of business enterprise stands the great bulwark of Capital Stock Insurance, an indispensable guarantor of our American Economy. Gone, the era of chance. Today a credit risk is not considered safe if the collateral assets are not adequately protected by insurance which would provide reimbursement, if necessary, to make good any disaster. Bankers and credit executives know that the ultimate financial stability which distinguishes safe from unsafe can in no other way be assured.

The Commercial Union-Ocean Group, renowned for its financial strength and sound underwriting, is one of the great Capital Stock insurance organizations with world-wide facilities. Its resources are ample to handle and safely insure the largest risks. It is noted for its prompt and just settlement of claims.

The nine Fire and Casualty companies comprising the group write practically every kind of insurance except Life. They are represented by thousands of expert agents, your insurance advisors, from coast to coast.

COMMERCIAL UNION-OCEAN GROUP

Commercial Union Assurance Company Limited

The Ocean Accident and Guarantee Corporation, Limited

American Central Insurance Co. • Union Assurance Society Ltd.

Columbia Casualty Co. • The British General Insurance Co. Ltd.

The California Insurance Co. • The Palatine Insurance Co. Ltd.

The Commercial Union Fire Insurance Co. of N. Y.

HEAD OFFICE



NEW YORK, N. Y.

CHICAGO

ATLANTA

SAN FRANCISCO

Electronics Revolutionizing Office Operation Concepts

By LILLIAN BERMONT
Associate Editor

HOW FAR OFF is the automated office? Whether to plan now for electronics in the office or in the future, is a question facing Management today. What will be the impact of the "Giant Brain" on office procedures, on recordkeeping, accounting, filing, inventory control? Will it make personnel obsolete and create more problems, instead of fewer, for Management? What have been the accomplishments and what are the objectives of electronics data processing equipment?

For a field of mechanization which only two years ago no more than a few dozen business organizations had recognized as advantageous to their operations, the advance has been spectacular. Principal reason: the progress made in the application of electronics to business and industrial problems. Users now number in the thousands, in industry as well as science and government, for the large-scale units to units designed for medium and smaller sized businesses.

Electronics' sales in 1954 were approximately \$10 billions. Including leases, the total of digital electronic computers in 1954 reached \$50 millions.

Major advantages of electronics data processing equipment are: tremendous speed, the vast amount of information it can digest, accuracy (through self-checking devices). In banking, public utilities, railroading, insurance, retail department stores and manufacturing, automation has been a subject of major interest for several years. Management is watching it closely for widespread application to business operations.

In banking, the American Bankers Association as part of its efforts to integrate and speed up progress toward "automatic" banking and provide better service as well as save time and money, has sent to business machine manufacturers an outline of banking's needs and requirements within which automatic machines can be developed in the areas of check handling and savings account work.

Reduced cost of operational procedure (plus speed) is perhaps the greatest consideration in a competitive period—and competition is becoming sharper daily. These two factors in business today make especially valuable the program of CREDIT AND FINANCIAL MANAGEMENT in presenting (in the following pages as well as in succeeding issues), case histories of electronics equipment applications to business.

Problems of high initial costs, ex-

cessive time and detail required for programming, obsolescence of equipment and the human factors, have deterred many businessmen even from investigation into automated data processing applications. "Even at this stage," notes Basil Regione, partner in Arthur Andersen & Company, Chicago, "electronic computers, like the auto, are here to stay." And Don G. Mitchell, president and chairman of Sylvania Electric Products Inc. (which will have a complete centralized electronics accounting system in operation next January), speaking before a conference on electronics of the American Management Association, urged that "Management delegate key men to become acquainted with electronic data processing equipment and their potentials for business uses."

While high cost of the equipment is a factor, the lease and rental options provided by various manufacturers make it possible to replace obsolete models more advantageously. Nor is obsolescence a disadvantage. As new auxiliary equipment becomes practicable, it is made available to every installation by the manufacturer.

The time has come for automation to be applied to the office, if Management is to keep pace with growing production, with the size and complexity of our economy. How many bookkeepers, clerks and other office workers would be needed to handle today's volume if business used the old penpushing methods, or even if they were still using the machines of the early 1900's?

95% of Current Costs in Payrolls

"There's no reason why businessmen cannot mechanize more than 35 per cent of their office work now, not only speeding it up but saving billions of dollars," says IBM's President Thomas J. Watson, who notes "that only 5 per cent of the costs of running American bookkeeping facilities in offices today goes for machines of one sort or another, and 95 per cent goes into payrolls."

Both on the farm and in the factory, mechanization has gone hand in hand with increased productivity efficiency. With production at an all-time peak volume, we have the greatest employed population in

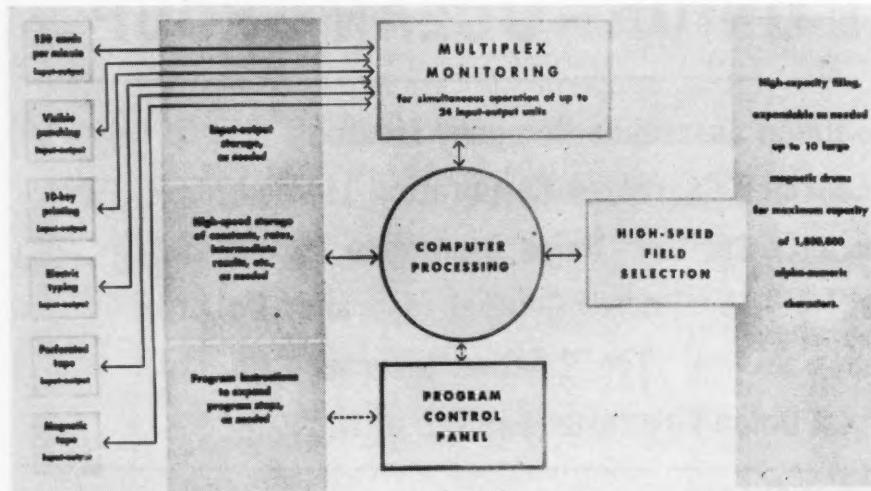


CHART showing the components of the Remington Rand Univac File-Computer system and their relation to each other. At the left are the input-output devices. There can be only one or as many as 24, in any combination as to type. If only one input-output unit is needed, multiplex monitoring is unnecessary. Storage space in the high-speed magnetic drum can be used for program instructions, or storage of constants, rates, intermediate results, and so on, as needed. The multiple-purpose magnetic drum is available in two sizes. High-capacity filing is expandable as needed.

our history. But let's look at some ratios. In 1940 clerical workers totaled 9.8 per cent of the employed population; in 1950 this group rose to 12.3 per cent, and for 1954 it is estimated the ratio will be close to 15 per cent. Farm workers, on the other hand, in 1940 made up 4.3 per cent of the total employed population; in 1950 this went down to 2.6 per cent.*

Hopes and Fears

While public opinion agrees that electronics places business and industry at a new frontier and that radical changes involving entirely new approaches to office and factory procedure are in the making, not unanimous is the verdict that the prospect is altogether good.

"Automatic technology, wisely applied, promises more human use of human beings," says Norbert Wiener, but automobile labor's Walter Reuther declares "Two hundred thousand automobile laborers are idle because of automation." On the other hand, The National Association of Manufacturers, in its booklet "Calling All Jobs," which sets forth the thesis that automation is a friend, not the enemy of the workingman, quotes the late labor leader Philip Murray, CIO president: "I do not know of a single, solitary instance where a great technological gain has taken place in the United States that it has actually thrown people out of work."

Progress "Must Be Accepted"

From S. Clark Beise, president of the Bank of America, in an address, "Mankind's Greatest Opportunity—the New Evolutionary Revolution:" "There will be progress and it must be accepted. It is instinctive for man to desire it, even while he fears it. Being involved in management, myself, I see a great need for special attention to the management phases of this evolutionary industrial revolution." And further, notes Mr. Beise: "As banking has become more and more mechanized there has been need for more and more working force because reduced unit cost has broadened the market, a trend which will continue."

Mean More Jobs: Heimann

Financial executives will recall from Henry H. Heimann's *MONTHLY BUSINESS REVIEW* of July, 1955, this appraisal of mechanization:

"Despite the fact that for centuries the development of new machines has created a fear that people would

*Source: Bureau of the Census.

AUTOMATION is the most popular word in business today, as applicable to office operation as to factory.

Today office equipment is widely adaptable and can do a larger variety of jobs than ever before. Today's equipment for all phases of credit and treasury department control, for handling accounts receivable and payable, has set new standards for speed, accuracy, economy.

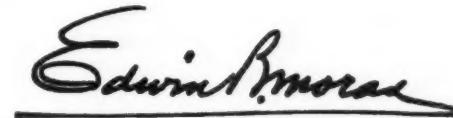
Innumerable operations in the credit department that required three operators 20 years ago are now performed competently by one employee, and with fewer errors.

Office machines have been developed that detect and correct their own and other machines' mistakes. They pay for themselves in a few months.

So rapid is the development, particularly in electronics, that a specified task scarcely gets underway before new uses are revealed. Some devices are outmoded almost before they get off the drawing board.

The credit and financial executive who is not keeping pace with the automation program is traveling a blind alley and soon will be helplessly lost in the maze of progress.

Hence this *Annual Equipment Number*, concentrating upon the latest equipment developments, automation in general, and electronics, opening new realms of timely statistical analysis for progress.



soon be out of work, the truth is that every labor-saving device has meant more not fewer jobs, more not less pay, greater not less leisure hours, a higher not a lower standard of living. The folk who fear this old bugaboo are now discussing it under the name automation. When we were young it was discussed as technocracy. Our grandfathers talked about infernal machines that took away man's job.

"In the end, any machine that can give people better service and lighten the load of labor is a God-sent improvement. Each and every individual is going to profit from it. History proves he always has. It is surprising that so much space and time must be wasted defending the use of machinery. Many people, gripped by fear, invoke the specter of unemployment when a machine takes over some of the burdens. In truth they ought to give thanks for these Providential blessings."

New paths to planning and control will be opened as Management takes advantage of its improved electronics tools and centralizes data processing.

Information formerly too costly to obtain, or obtained too late to be of value to Management, now will be within practical reach. Inventory control and forecast data will become quickly available. The entire

pace of modern business efficiency will be accelerated, with a consequent gain in productivity.

Among the radical adjustments that will have to be made as office procedures are telescoped by automation are these: old organizational lines will disappear; duties and responsibilities will be realigned; more data processing will be done in the controller's area; there will be a decline in the number of less-skilled workers and an increasing demand for more highly trained workers to analyze and program the flow of work through the machines. Automation is both the beginning of a new era and a continuation of the past.

In the following pages CFM takes you directly to the offices of companies which already have applied automation to office procedures, where management executives give you the benefit of their companies' experiences. Reporting for railroad ing is the Chesapeake & Ohio Railway; for insurance, Allstate Insurance Company at Skokie, Ill.; for chemical manufacturing, the General Chemical Division of Allied Chemical & Dye Corporation, New York City. For banking, there is the Burroughs device undergoing testing at the First National City Bank in New York. And here is a brief survey of some of the many other electronics applications, in-

cluding large, medium and small-size systems which hold interest for Management:

Univacs, Large and Small

The UNIVAC I and II, Remington Rand's large-scale computers, are in use in government and industry. The Univac I (outgrowth of the wartime ENIAC which computed in 30 seconds the trajectory of a shell, a computation which previously had taken 20 hours), has been applied for the past four years, the first one delivered in April 1951 to the Bureau of the Census. The Univac II has double the speed and capacity of the earlier Univac; some 50 have already been sold. United States Steel uses it for payroll applications; its first installation at National Tube Division, Pittsburgh, second at Gray Steel Works, Chicago. Metropolitan Life Insurance applies its Univac to actuarial statistics and policy analyses. General Electric's Major Appliance Division, Louisville, is using the Univac on payrolls, inventory control, budgets; expects to adapt it to compilation of sales statistics and preparation of market forecasts. For Chesapeake and Ohio Railways' applications, see article elsewhere in this issue. Sylvania Electric Products, Inc., will centralize its complete accounting procedures when the integrated installation is ready next January. Valued individually at over a million dollars, the Univac equipment leases for around \$25,000 a month, or on a two-year rental option basis.

In the medium-sized data processing systems field is RR's Univac File-Computer, which is applied to billing, inventory control, payroll, cost, sales and production control. It sells for from \$300,000 to \$600,000, depending on components and may be rented on a five-year basis.

In the small-sized computer area are the Univac 60 and 120, for companies with punched card installations which process large volumes of data. Both models are in use by the City of New York in budgeting and accounting operations, respectively. The Long Island Lighting Company, Mineola, N. Y., uses the Univac 120 with auxiliary machines (key punches, electronic sorter, punched-card interpreter and reproducer) in its billing operations.

Burroughs Devices

Electronics equipment developed by the Burroughs Corporation and its subsidiaries includes the check-reading device under test at The First National City Bank of New York (see article in this issue) and

the printing-accounting machines called the Series G, which synchronize high-speed totaling, printing and card punching operations. The Series G machines are expected to find frequent application in companies having a large volume of accounting records, promotional and mailing pieces.

Of IBM's giant data processing machines, the "700" line, all magnetic-tape operated, and having vast storage and programming facilities, there are now more than 180 either installed or on order. The No. 701, of which there are 19 now on rental (longest on rental two years), has been in use at United Aircraft, Los Alamos, Lockheed, Douglas, General Motors, the University of California, Boeing, Convair, North American Aviation and others. The first No. 701 did much computation on the original H-bomb.

The first No. 702 (of which there are 15 on order for 1955 delivery) went to Monsanto Chemical. At General Electric's atomic energy plant, Hanford, Wash., the No. 702 has been installed for use in payroll preparation, inventory control, and general accounting, as well as scientific problems. Westinghouse Electric Corporation has a No. 705 on order; Commonwealth Edison Company, Chicago, has a No. 702, as well as a No. 705 on order. Mutual of Omaha will apply its No. 705, now on order, to phases of policy-

A FOOTNOTE

ELECTRONIC Computing System
defined: Basically, an electronic computing system is a device that receives information for processing, and instructions as to how it is to be processed. It stores this information in a "memory" for use when required and automatically processes it through a series of logical or arithmetical operations according to instructions, and prints the results.
(Remington Rand Inc.)

There are two general types of electronic computers: the analog and the digital. The analog is a measuring device, based on a physical analogy of the problem. The digital is essentially a counting device.

Digital computers are grouped thus: General Purpose—one which does not have a fixed built-in program; each application involves a new program to develop procedures and operations. Special Purpose—one in which specially designed parts perform a few fixed sequences of computing operations or programs.

Trickery and treachery are the practices of fools that have not wits enough to be honest.

—Benjamin Franklin

owner accounting of the company.

In the medium-sized equipment area is IBM's No. 650, which bridged the gap between the "giant brains" and electronic calculators; this can be used for either scientific or office work. An example of usage is at General Electric's apparatus sales division at Schenectady, where it is being applied to engineering analysis. Another is the installation at John Hancock Mutual Life Insurance Company, Boston, where it has been put to work testing a new system for the calculation of commissions of more than 7,000 John Hancock agents around the country. Rental for this type equipment is under \$4,000 a month. At mid-July, there were over 75 No. 650's installed and operating. The company expects to deliver 700 more in the next two or three years.

Among IBM's electronics equipment line for smaller concerns is the No. 604 electronic calculator, of which there already are 2,100 in use, another 750 on order. Rental is around \$550 a month.

Other Computers

Also in the relatively inexpensive computer area are:

The DATATRON digital computer, product of Electrodata, an affiliate of Consolidated Engineering Corporation, Pasadena, Calif. (see application article elsewhere in this issue), which costs around \$119,000, or approximately \$3,700 a month leased.

Underwood Corporation's ELECOM, electronic computer line, dubbed the "business brain" because it is applicable to accounting functions. The ELECOM 125 installation at Mallory Air Force Depot, Memphis, has been used initially for inventory control of Air Force supplies stocked at the depot. The small model Elecom 50 costs around \$18,000; the No. 100 approximately \$85,000. The No. 120 and No. 125 run higher, \$150,000 to \$250,000.

J. B. Rea Company's general-purpose electronic digital computer READIX, for business data processing, is another unit in this group.

Equipment manufacturers, while working on large-scale systems for big businesses, are keeping an eye on the vast new fields opening in baby computers for small companies.

TRENDS--

IN BUSINESS
AND FINANCE

Tit-for-Tat

POLICIES of the United States should require that Western European countries "stand on their own economic feet," now that Europe has achieved full economic recovery. The time has come for convertibility of currencies and for exposure of their economies to competition, Dr. Arthur R. Upgren told the senior class in the school of banking at the University of Wisconsin. Dr. Upgren, dean of Dartmouth College's Tuck School of Business, has also been on the faculty of the Graduate School of Credit and Financial Management conducted there by the National Association of Credit Men.

The educator declared that the European nations should remove "the many trade restrictions that have been built up while we have been reducing our tariffs."

Got a Million of 'Em

"A MILLION reports reporting there was nothing to report!" That's one item of the findings of the paperwork management task force of the Hoover Commission. The last of the Hoover units to call it a day, the paperwork management group introduced something new into surveys: investigating and applying conclusions at the same time. The result: \$15 millions in savings to business and Government effected by this task force, a total five times the cost of the present Hoover Commission and 300 times the cost of the task force itself (chairman Emmett J. Leahy, president of Leahy & Co., management consultant concern).

Besides the \$10 millions actually saved for business and \$5 millions for Government, the task force projected savings of at least \$100 millions more in other areas. And all this in four months.

Among the more glaring wastages of business and Government time and money due to red tape, revealed by the study, were these:

Industry was required by one Government agency to make reports already on hand in another agency "down the hall."

Many reports made by industry are not used by Government, and in one case not even filed.

Complete reports, or pages of reports, deliberately omitted by industry, were never missed by Government.

Among the many examples of simplified procedure effected was an agreement of the Bureau of Customs to a simple rubber stamping procedure that will save airline shipping a million duplicate forms and \$250,000 a year. The trucking industry will be saved \$1,300,000 annually by a reduction of 25 per cent in the amount of reporting to Government. One change in the billings of the telephone companies to Government means \$750,000 less cost to that industry. And so on.

Yet this task force's report is only a fragment of the work done by the Hoover Commission. Seven task forces studied the one subject of Government in business. And what will be the fate of the Commission findings as a whole? "Nothing," says Dr. George S. Benson in "Looking Ahead," unless "citizen leaders study the recommendations and mobilize public sentiment behind those which clearly appear to be in the best interest of the Government and the public generally." Well, not that gloomy, witness the one case of the Leahy task force. But if statesmen can rise above "politics" and think of the nation's good, the results can be startling.

*Electricity was discovered
when fellow Philadelphians
told Ben Franklin to go fly
a kite.*

—Anonymous

Investment Activities Grow

A GAIN of \$446,680,000 over the year-end number, to a new figure of \$7,744,274,000 as the total net assets of the 146 member companies of the National Association of Investment Companies, is one more piece of evidence of the economic sturdiness of the times. The 117 open-end (mutual fund) companies had increased total net assets to \$6.52 billions by the opening of the second quarter this year.

New AFL-CIO Jurisdiction

UNIONS either industrially organized or combining craft and industrial unionism comprise 67 per cent of the membership of the new labor federation being formed by AFL-CIO merger. Declarations of jurisdiction of all 123 AFL unions and the

30 CIO bodies are covered in an analysis by the National Industrial Conference Board, which so lists the entire 16,026,880 claimed membership of the unions in the new federation.

Ninety-three of the total 153 unions are organized on a craft basis with a claimed membership which is 32.8 per cent of the new federation's membership. Forty-eight—26 per cent—are on a strictly industrial basis. Four unions may accept members from many industries, crafts or trades; eight (14.5 per cent) are craft unions but may organize large numbers of unskilled workers on an industrial basis.

No General Business Cycle?

STABILIZING for the economy is the large increase in number of American industries, which in the theory of Prof. Sumner Slichter of Harvard University is making obsolete the concept of a "general business cycle." Each industry as a result is becoming less important in the general economy and most industries are building their own business cycles.

Among stabilizers he pointed out to his class of college teachers in the "Economics in Action" program at the University of Wisconsin are the following: long-range planning with the help of cost accounting and economic forecasts, the strength of the banking system, the spread of technological research. Mr. Slichter even sees as stabilizing influences the increased government spending, the income tax progression and the sharpening competition. He indicated he viewed the large amount of outstanding short term consumer credit as an unfavorable factor.

Lest Hopes Leap High

ONLY A POSSIBILITY that commercial use of atomic power on a large scale will come within 20 years. That's the cautionary forecast of Warren K. Lewis, professor emeritus of the Massachusetts Institute of Technology. The chemical engineering specialist, addressing the World Petroleum Congress, in Rome, pointed to high initial plant cost, disposal of radioactive waste, provisions against hazards, and the need of fuel repurification.

Ernest A. Roselstad

A Problem ~ ~ ~ ~ and How It Was Solved

A Feature Series on MANAGEMENT AT WORK

THIS is a story of a failure, with sidelights on getting the most out of a bad situation, and proof anew that easy credit is not a one-way street to prosperity. The very term implies putting exaggerated valuation on "Character" and "Capacity" and too little on "Capital."

Part of the responsibility for what happened was ours for not properly evaluating capacity. We depended too much on our sales people.

Our firm, while probably better known for Quaker Oats, Aunt Jemima, and other products distributed through the grocery trade, has a very substantial part of its business in Ful-O-Pep Feed. Our roots are deep in rural America.

Modest Business, Ebbing Profit

This story involves a feed customer in a small town in the East. I shall call him Howard because that is not his name. Howard had a small country town feed store in the front end of a building that I suspect was originally a home. His wife was just as busy as he, and it amazed me to see this little woman toss 100-pound feed bags around as easily as the average man. These folk had a nice business, and Howard was ambitious.

Howard knew poultry and he knew our products. He was sincere and a good salesman. There was no question in my mind that he definitely had character. Our people were convinced that he had capacity. "Conditions" were right.

In the immediate area of Howard's store, most of the poultrymen were small operators and the opportunity for growth was rather limited. Some miles away in a larger community we did not have representation for our feed products. Both our sales people and Howard analyzed the area as having a good potential for a large

By W. G. KROMER
General Credit Manager
The Quaker Oats Company
Chicago, Illinois



volume of business. Eventually they found a warehouse that Howard could rent for a nominal amount.

Larger Business, Larger Risk

From the beginning we knew we would have to provide the capital to carry inventory and most of the accounts receivable, so one might say we went into this marginal risk from a capital standpoint with our eyes wide open. Frankly, it was not the kind of risk a credit man could accept by analyzing a financial statement.

As some security for Howard, we reasoned that he should continue to live in the nearby small town, his wife to run the smaller business, Howard to devote his time to building up the new operation.

Our contribution increased to a point where we had about \$20,000 "invested" in the new business. His contribution consisted of character and capacity, equipment, trucks, excellent knowledge of the territory,

ability to sell, but very little capital. Most of his capital was in the home and the small operation.

The new business thrived, if success can be measured by volume of sales. It did not thrive in terms of profit. Without a good bookkeeper and with Howard's limited knowledge of accounting, there was always a question whether the figures were correct. One month he would show he lost money, the next month there was a little profit.

I paid him a visit to find out why, with the volume of business, profits were not being realized. Howard met me at the station. That morning he had a route to cover, so he invited me to go with him in his car to call on accounts.

We covered about 50 miles that morning and called on a half dozen accounts. We got five orders for a total of eighteen 100-lb. bags of feed.

Gross \$9, Expenses \$20

He informed me that his gross profit was 50c per bag, which on 18 bags amounted to \$9. We calculated what the trip had cost in automobile and other expense, and what it would cost in wages and truck expense to make the deliveries the next day. This was the situation: gross profit \$9, total expenses over \$20, not counting his time.

We then analyzed his business in terms of the three fundamentals of converting an unprofitable business into a profitable one:

- (1) Sales must increase, or
- (2) The profit margin on each sale must be increased, or
- (3) Expenses must be reduced.

It is surprising how many small businessmen do not realize that some combination of these three factors is usually the answer to an unprofitable business. Emphasis always seems to be placed on "more sales."

Getting back to Howard. The first operation was to eliminate his trip,

so that time and expense could be used more profitably elsewhere. As he knew just about what each of those six customers would buy, it was relatively simple to load up the truck and let the driver take the order and make the delivery on the one trip. Other economies were suggested.

Examination of the accounts receivable also showed our man was not a good credit man. Customers whom he knew quite well, and relatives, were getting credit lines out of proportion to either net worth or ability to earn profits. He just couldn't say no, and most of his working capital gradually was being turned into slow paying accounts receivable. He realized the slow pay accounts eventually would drive him to an impasse.

One day I received a letter from an attorney. Howard wanted to file a petition for voluntary bankruptcy. Would I come down quickly for a conference?

It was apparent that Howard was on the verge of a nervous breakdown. He didn't even want to look at the new store in the larger town.

Previously our sales department had been informed there was a possibility of losing the customer. They had already started to comb the area to find another dealer who could handle the volume of business profitably. A well rated firm whom I as credit man would have liked to have for a feed dealer was not interested, explaining it already was handling too many lines of feed.

Low Settlement Alternative

It was a rough spot. We could not continue with the present management. We had no one to whom we could transfer the business already developed. Our dollar recovery would depend substantially on the quality of the accounts receivable, which by now were the principal asset. And I did not want the stigma of bankruptcy for these very fine people.

I thought it best that I also consult an attorney familiar with the area. The man I picked had been a referee in bankruptcy.

The attorney looked over my rough financial statement, and concluded the end result would be not more than a 20 per cent settlement, mainly because the accounts receivable were not readily collectible except on a personal basis by a man still in business.

(Concluded on page 38)

NEED COPIES?



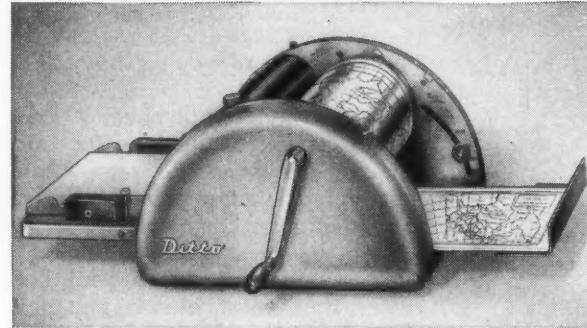
Here is the simplest, most economical way to make copies of anything you use in your business, club, institution or group: Sales Letters, Bulletins, Postcards, Menus, Examination Questions, Maps, Music Scores. Graphs or anyone of hundreds of other forms.

EASIEST TO OPERATE

OF THEM ALL!

no stencil
no mats
no inking
no make-ready

USE DITTO!



The Low Cost DITTO D-10 makes copies of anything you can type, write, trace or draw, in one to 5 colors at once, at a speed of up to 120 bright clear copies per minute. Takes any standard size or weight paper or card stock.

MAKES 100 COPIES FOR LESS THAN 10¢!



Write for illustrated folder of models to fit your exact need as well as samples of actual 5 color copies made on a Ditto.

DITTO, INC. 683 S. Oakley Blvd. • Chicago, Ill.

DITTO of Canada LTD., Toronto, Ont.
DITTO (Britain) LTD., London, England

Gentlemen: At no cost or obligation to me, please

Send Folder of Models Send Samples of Ditto Copies

Arrange a Free Demonstration Arrange Free Office Trial

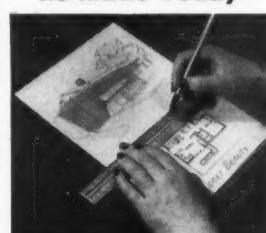
Send Facts about Chemograph

Name _____

Company or Group _____

Address _____

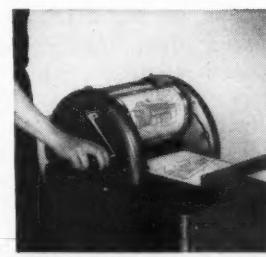
City _____ County _____ State _____



1 You simply write, type, trace or draw on the Ditto Master Set (no special tool needed).



2 Slip Master Set onto the drum of your Ditto Liquid Duplicator.



3 Turn handle and out come up to 300 bright clear copies of your work at a cost of just pennies.

ASK ABOUT

Chemograph

DITTO'S newest advance in duplicating, developed to meet special copy needs.

Billion Papers a Year! Railroad Votes 'One-Shot' Electronic Computer Plan

ELECTRONICS' application to administrative procedure: the subject was beyond the discussion stage and urgently called for decision to solve problems for a Management faced with "insurmountable" paperwork. In this case history the Chesapeake & Ohio Railway



R. F. BROWN

Company shares with other managements the results of its intensive studies, which led to installation of a Remington Rand Univac Data Processing System.

With the signing of the contract for the Univac, the C&O became the first of the nation's carriers to adopt a large-scale computer to be used directly for administrative procedures. At C&O, which has stressed the techniques of progressive management for many years, methods' modernization reflects not only new methods and techniques but also the merged efforts of enlightened staff organizations to keep Top Management continuously informed of progress being made in other fields in practical application of new or improved managerial techniques, such as electronic data processing.

Billion Papers a Year

"Railroading, because of its very nature, generates a tremendous amount of data which must be passed along from point to point, shuffled and reshuffled into countless reports," notes R. F. Brown, controller of the company, who estimates that C&O's administrative system requires a billion pieces of paper annually. Close to 837,000 pay checks are issued annually; mountains of statistics are compiled on a continuing basis. Approximately 80,000 freight cars are on line daily. Last year three million freight bills for thousands of patrons were prepared. The company's operation involves some 5,000 miles of track in the United States and Canada, and the ferrying of freight cars across Lake Michigan.

"Our ultimate goal is 'one-shot' paperwork," says Mr. Brown. "This means preparing a basic document,



CHESAPEAKE & OHIO RAILWAY'S 90,000 shareholders receive electronically-processed quarterly dividend checks. T. Howard Keelor (left), secretary and assistant treasurer of the C&O, and John E. Parker, vice president for electronic computer sales, Remington Rand Inc., inspect the output. Here an auxiliary unit, the high speed printer, capable of printing 600 lines a minute, turned out the checks in less than half a day. Pending installation of their Univac electronic digital computer, C&O used a Univac in New York to produce the dividend checks.

such as a waybill, just once, recording its contents automatically, and using and reusing the same basic data for all subsequent purposes throughout the company."

From John F. Feagler, chief methods research officer for the railroad, comes the report of the planning phases:

"In 1952 a small staff group known as Methods and Research was established in the finance department to take a good look at processing and recording tools and techniques as they affect clerical and accounting work load. Within a year the group had come up with several important ideas, among them that the application of electronic computers to paperwork should be investigated. Even before 1952 Methods and Research had viewed existing electronic systems and taken computer courses. Early in 1952 this approach was intensified.

"Comparison of electronic with punched-card processing was another important phase. Our three regional accounting offices were serviced by four punched-card installations, two of them large-scale. They were then engaged in adding new applications and replacing current equipment with the most modern units. Our purpose here was to learn how a computer might serve.

"In 1953 a chart showing an idealized 'one-shot' process characteristic of interdepartmental integration was presented to Top Management. A seven-man interdepartmental computer team was appointed by C&O's president, which included representatives from Finance, Construction and Maintenance, Operating, Labor Relations and Personnel, Merchandise, Traffic, and Coal Traffic. Interdepartmental representation was considered a 'must' to evaluate a computer's potential in terms of company-wide needs. Long and short-range objectives were assigned the interdepartmental computer team.

Departments as Solar Systems

"Long-range objective No. 1 was to develop a comprehensive package of computer applications, taking into account the interrelation between the data problems of the various departments and the dependence of many departments on the same basic inputs.

"Long-range objective No. 2 was to design a communications system which would make a 'one-shot' process feasible. The need for better communications existed apart from computer requirements, because of our extreme decentralization.

"The short-range objective was to

investigate the economics of application to determine whether the acquisition of a computer was justified.

"In less than a year, the Computer Team came up with a number of potential applications in four main areas: traffic handled, materials, manpower and plant. Each of these areas can best be described as a solar system around which revolve planets in the form of well-defined data problems. For the most part the planets have in common the fact that they are derived from the same input data, although at different times by different people in different locations. To illustrate, this would hold true of freight car allocation, customer sales statistics, and yard and station records in the solar system entitled traffic handled.

"The economic feasibility of conversion to a computer was determined by a quick study to approximate the cost differential between computer methods and present methods. Rather than visualize the new system in detail, we analyzed the existing system, asking ourselves what the effect of computer technology would be on the organizations engaged in freight revenue, payroll, and property accounting. We knew that the functions already mechanized could easily be handled by an electronic system. The new element was the possibility of mechanizing operations which previously did not lend themselves to mechanization. The net results of the feasibility study thus far have pointed to computer methods in general and Univac in particular.

"The Remington Rand system will be our principal tool for realizing a plan which calls for processing our informational needs as a company rather than a series of departments. Initial computer operations will be in freight revenue accounting, property records, and payroll accounting.

"Meanwhile the study of long-range application continues. Besides simplifying the 'mountains of paperwork', the Univac should prove to be a valuable tool in other areas, such as planning more effective car utilization and achieving more efficient and faster train operations. By having quicker access to much more information than is now possible, more significant analytical data will become available for management use."

"Electronic data processing should have a very real impact on our communications system," adds the C&O executive. "As a result we are installing a new telegraph typewriter system on our main lines designed for future integration with a centralized data processing system."



More suppliers every day are discovering how to increase sales without credit risk through the SECURED DISTRIBUTION made possible by American Express Field Warehousing.

Here's how it works:

We set up an American Express Field Warehouse on your customer's premises at his expense. We then deliver to you Field Warehouse Receipts covering all goods you ship to the warehouse. Your customer has the raw materials or finished products he will soon need immediately at hand, without having to make a large outlay of cash. As he pays for the goods, they are released from storage.

As a result, you get the increased sales made possible by greater distribution of goods with safety and security. It's a sure way to keep both your sales manager and your credit manager happy!

For the full story on our unique plan for SECURED DISTRIBUTION, write or call today for your free copy of "WHAT'S NEW IN SELLING AND CREDIT."

WILLIAM H. BANKS WAREHOUSES, Inc.
209 South La Salle St., Chicago 4, Ill.
and

AMERICAN EXPRESS
FIELD WAREHOUSING CORPORATION

Home Office: 65 Broadway, New York 6, N. Y.

ANGOLA, IND.
ATLANTA
BALTIMORE
BOSTON
BUFFALO

CINCINNATI
CLEVELAND
DENVER
DES MOINES
DETROIT

LOS ANGELES
MIAMI
MINNEAPOLIS
MONTREAL
NEW ORLEANS

ORLANDO
PHILADELPHIA
PITTSBURGH
SALT LAKE CITY
SAN ANTONIO

SAN FRANCISCO
SEATTLE
ST. LOUIS
TORONTO
WASHINGTON, D. C.

CHARACTER RECOGNITION

Bank Finds Device Reads 7,200 Travelers Checks an Hour

A NEW Burroughs Corporation electronic device which reads travelers checks at the rate of 7,200 an hour and automatically places the information in punch cards, signalizes a significant step forward in banking operation automation, as well as an achievement in "feeding" raw documents directly into the data processing system.

The prototype of the character-recognition device, which has been designed to automatize final processing of the millions of National City Bank travelers checks which are returned for payment annually from all over the world, has been field-tested for the last several months at the Wall Street office of The First National City Bank of New York.

"Test results have been gratifying," says George A. Guerdan, vice president and cashier of the bank. "The machine does the work more than eight times faster than previous methods permitted." At the same time, the traditional error factor of one per cent in key punching has been reduced to considerably less

than 1/10th of one per cent by the machine.

"We are confident this new device will go a long way toward solving an extremely troublesome data processing problem," the bank official said.

The equipment consists of a cable-connected reader and punch, each unit approximately the size of an office desk. By means of electronics and a special photo-electric process, the machine scans the printed numbers which identify each travelers check's denomination and serial number, and automatically punches a card to correspond. The only action required by the operator, Burroughs points out, is the loading of the machine feeds with travelers checks and blank tabulating card stock, and the removal of machine output. The output cards are then used to operate other equipment which carries out the necessary accounting and record-keeping operations.

The character-recognition prin-

ciples inherent in the new Burroughs device are potentially adaptable to the reading and automatic processing of other kinds of documents, such as bonds and securities, withholding tax statements, personal loans, and production control documents, notes Burroughs' executive vice president, Ray R. Eppert.

Equipment Shows at National Conventions

Cost accountants have their own business shows. Take, for example, the Southern California Business Show in Los Angeles, sponsored by the National Association of Cost Accountants, Los Angeles chapter. New products, and methods, applicable to small offices as well as to the largest of businesses, went on display for the eighth annual show of the association. Robert G. Chapman was general chairman for the exhibit.

In New Haven (Conn.) the National Association of Cost Accountants' chapter put on the sixth statewide Connecticut Business Show, with 30 New Haven business equipment firms among the exhibitors. Purchasing agents, credit executives, insurance representatives, bankers and manufacturers viewed the exhibits.

At the American Bankers Association convention in Chicago and the gathering of the National Association of Bank Auditors and Controllers in Denver, automation devices which can be integrated with bank bookkeeping machines of today as well as with check processing systems of the future, were shown by Burroughs Corporation and its subsidiary, The Todd Company, Inc. The three devices—the imprinter, a coder and a sorter, designed to increase mechanization of check handling operations—were developed by Burroughs and Todd engineers working in cooperation with leading bankers.



ELECTRONIC CHARACTER-RECOGNITION equipment, Burroughs Corporation's new electronic device which has been undergoing field testing at The First National City Bank of New York, reads the printed numbers on travelers checks at the rate of 7,200 an hour (more than eight times faster than by previous method), and transfers the information to punch cards. On the left a bank employee is "feeding" the check reader; on the right is the card punching unit which takes its orders from the reader. The character-recognition device is one in the program of automatized banking systems being developed by Burroughs and its subsidiaries.

The time to be happy is now. The place to be happy is here. The way to be happy is to make other people happy.

—R. G. Ingersoll

5,000 Office Aids

Office equipment installations can mean a 60 per cent saving in the cost of payroll record-keeping, speed up reference operations 50 per cent, and cut by as much as 20 per cent the number of steps involved in everyday filing routine, when they conform to the principle of time-engineering, says Shaw-Walker's President L. C. Walker.

Referring to the new 292-page office guide issued by the Muskegon, Mich., equipment manufacturer, which lists more than 5,000 items demonstrating the application of the principle to office automation, Mr. Walker notes: "Automation may be a new term but we have been using the same principles in designing office equipment for many years. The only difference is that we call it time engineering."

That substantial office renovating need not involve disruption of daily office routine is affirmed by installations to which design and planning specialists of the equipment concern made a major contribution.

Addressograph-Multigraph Combines Methods, Research

Methods, research and service functions of Addressograph-Multigraph Corporation, Cleveland, have been consolidated under a newly created Research and Methods Division, directed by C. S. Margach, formerly manager of methods and sales training. Merging of the heretofore separately functioning staffs will provide stronger programs to meet today's competitive conditions, which demand the closest of relationships between market and product research and methods, said President J. B. Ward.

Computer Helps to Immunize Transformers from Lightning

At Westinghouse Electric Corporation's transformer division, Sharon, Pa., an analog computer has been installed to help engineers design transformers to carry immunity against lightning damage. "In the past," said Frank L. Snyder, vice president of the division, "mathematical work of this nature has either been too lengthy to be practical, or too complex."

Another computer, the IBM No. 705, to be installed in the plant next year, will enable more time to be spent on creative development instead of routine design work, said Mr. Snyder.

American Credit Insurance

AND

The Case of the Multitudinous Claims

THIS is an instance of the flexibility of American Credit Insurance in meeting business situations. Whatever the scope or size of your own business, the general principle applies. The policyholder, a manufacturer doing a gross business of just under 35 million dollars, had found himself moving increasingly into an area of multitudinous small accounts, with correspondingly greater lag in collections. Further expansion seemed to threaten an intensification of this situation. What to do? Stop selling? Continue—and accept the tying up of working capital in small bundles? Neither was necessary. Through conferences with an American Credit representative, riders were added to the policy, increasing coverage of small accounts. At the same time, machinery was set up to expedite filing of claims on past due collection items. The first year of expanded activities under this plan showed the following results . . .

Vindicating the policyholder's appreciation of his situation, almost nine hundred separate accounts were filed for collection—aggregating a little less than 600 thousand dollars. Of these, almost two thirds were paid within the free service period of the policy, and the greater part of the remaining one third were paid before final settlement under the Policy. Only a very small percentage of the total original claims proved to be defined insolvencies—on this score vindicating the judgment of the policyholder's Credit Manager. Finally, a loss payment of \$43,151.97 was made to this policyholder, proving the fairly substantial need that actually existed for protection of these accounts receivable.

Whether your business is large or small—whether you do business with many concerns or with a few—you will find new assurance in the knowledge that your accounts receivable are at least as well protected by insurance as your plant, your inventory, and your goods in transit. For your copy of a new booklet: "Credit Insurance, Its History and Functions," write Department 47, First National Bank Building, Baltimore 2, Maryland.

American Credit Indemnity Company of New York



TYPING VOUCHER CHECKS from invoices approved for payment is expedited with the Moore Speediset Voucher Check designed for the system at Edmont Manufacturing Co. of Coshocton, Ohio.



AT EDMONT Manufacturing Co., the accounting distribution tickets, detached from the lower section of the Speediset Voucher Check, are filed by account number in the accelerated operation.

VOUCHER CHECK CONTROL

ADOPITION of a new voucher check system, which provides complete control over the dis-

tribution of expenses to accounts, permitted a leading glove manufacturing company to eliminate its journal and voucher registers and speed up the entire operation.



F. E. FRIEDLI

When F. Emmett Friedli, secretary-treasurer and formerly credit and office manager of the Edmont Manufacturing Company, Coshocton, Ohio, makers of coated fabric gloves for industrial, farm and home use, turned to the devising of an improved accounting distribution system, he consulted with the representative of Moore Business Forms, Inc. concerning the design and construction of the forms. Notes Mr. Friedli:

"To replace the old journal and voucher registers, small accounting distribution tickets were incorporated at the bottom of our new voucher check, which was designed especially for this system by Moore Business Forms. These numbered tickets provide all necessary information formerly recorded in the registers."

The new system makes use of two forms—A 2-part Speediset Voucher

Check and a 2-part Speediset Accounts Payable Voucher Set. Mr. Friedli details the procedure:

"Part 1 of the Voucher Check consists of a check, a payee's voucher and four accounting distribution tickets, all separated by perforations. Part 2 is an unperforated exact copy of Part 1 and is placed in a permanent binder.

"The Accounts Payable Voucher Set is identical to the check except that it has no actual check and it has an accounts payable (AP) number printed on it instead of the check number.

Form System and Procedure

"Since we pay most of our invoices in the same month as they are billed, direct charges to the expense or inventory accounts can be made, eliminating the extra entry of clearing these through the accounts payable or vouchers payable account. For those few items not paid in the month in which they should be charged, the Accounts Payable Voucher Set is used to record the liability and expense accounts involved.

"Invoices are processed in the usual manner and prepared for payment. The Moore Speediset Voucher Check is typed with the date, payee's name and address, invoice date and number, brief description of invoice

items, gross amount, deductions, discounts and net amounts.

"The accounting distribution for inventory or expense items is made by typing one account number, and the amount only, on each ticket at the bottom of the check set. The check set remains intact until it is audited and the check is signed by an authorized official.

Recapitulation Is Simplified

"The check and payee's voucher section of part one are detached and mailed in a window envelope. The accounting distribution tickets are detached at the same time and are filed by account number until the end of the month. This unit accounting method eliminates posting to unwieldy journals and simplifies recapping.

"Part 2 of the set is filed in numerical order in a binder and permanently preserved. All numbers, voided or not, must be accounted for. This binder becomes the check register.

"At the end of the month the few unpaid invoices are recorded by typing an Accounts Payable Voucher Set for each invoice. Notation is made on the invoice that it has been vouchered, not paid. The accounts payable distribution tickets and the distribution section of Part 1 are not used.

"Part 2 of the Accounts Payable

OFFICE manager was the title of F. Emmett Friedli when he began with the Edmont Manufacturing Company of Coshocton, Ohio, in 1937. He then served as credit manager until 1942, when he was elected secretary. In 1953 he was additionally elected treasurer.

Mr. Friedli studied at Coshocton Business College and La Salle Extension University. He is a graduate of the American Management Association's advanced management course. Prior to joining Edmont, he was with Carnation Milk Company.

Voucher Set is filed in a separate binder. The net amount of the invoices is totaled at the end of the month and this total is the accounts payable credit amount.

When an invoice recorded on an accounts payable voucher is paid in the following month, a Voucher Check is typed in the usual manner except for the accounting distribution tickets. Only one ticket is used to record the debit to accounts payable.

Notation is made on the Accounts Payable Voucher Copy in the binder when it is paid. To secure a detail of accounts payable, it is only necessary to refer to the unpaid voucher copies.

Cash and discount credits are totaled from the check binder. This is done daily with a summary total at the end of the month. The daily cash balance is maintained on a columnar sheet by recording deposits and total daily payments.

The check and voucher tickets are totaled by account number and one journal entry is made to cover an entire month's transactions to the accounts involved.

Advantages Summarized

Among the advantages resulting from the system, notes the manufacturing company executive, are the following:

One writing eliminates journal and voucher registers.

Control over disbursements is positive and accurate.

Detailed records are immediately available.

The clerical time previously used in posting journals can now be used for other duties.

The Speediset construction of the forms, with horizontal and vertical perforations, provides for efficient writing, handling and decollating of forms—plus a method for easy account distribution.

The system offers maximum flexibility and control with minimum time consumption.

"YOU worry about credit risks. WE have sales quotas to meet!"



Does a conflict between an aggressive sales campaign and watchful credit policy hurt your profits ? ? ?

Here's how the DOUGLAS-GUARDIAN PLAN can bridge the gap between the two departments so that your business functions more smoothly.

If you are a manufacturer you can ship merchandise to your distributors' locations on open account. Douglas-Guardian will issue field warehouse receipts for the products—receipts which give you control of the inventory. Local banks and lending agencies also regard our field warehouse receipts as prime collateral. Should your distributor wish to use the receipts as security in his locality, funds can be readily made available for payment of your invoices.

For complete information mail the coupon.

MAIL NOW

DOUGLAS-GUARDIAN WAREHOUSE CORPORATION

118 N. Front Street, New Orleans 1, Louisiana

Please have your representative call us for an appointment.
 Send us full information on Field Warehousing.

Individual's name _____ Title _____

COMPANY NAME _____

Address _____ Tel. No. _____

City _____ State _____

CFM-11-55

Duplicator Process Saves Bank Three Steps, Six Retyping Chores, 12 Man Hours a Day

SPEED-UP of customer service went hand in hand with forms simplification and procedures improvement when the Industrial National Bank of Miami (Fla.), installed DITTO equipment in its loan department. Elimination of repetitive typing of the same information, and complete jettisoning of three processing steps, have advanced delivery of coupon books to the customers, increased accuracy, saved manpower and helped turn out a more legible record.

The Miami savings bank handles a great number of loans in a month. Formerly, the bank utilized a perforated coupon system. These coupons not only were difficult for the customers to read but required considerable preparation time. Consequently coupon books would be mailed to customers as late as four or five days after the loans were closed. The system required also that the same information be typed seven times, necessitating additional proofreading and increasing the possibility of error.

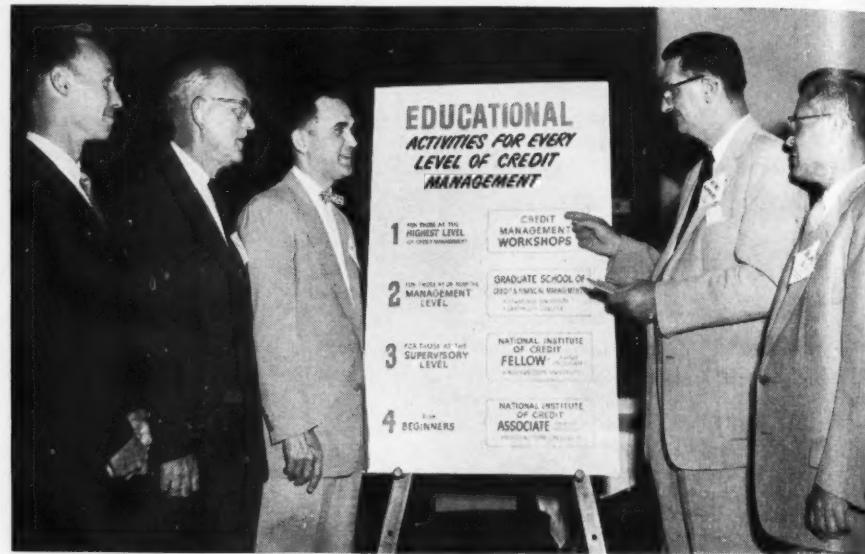
More Time Consumers

Each coupon book, when mailed, was accompanied by a form letter on which the salutation had to be completed by typewriter and an envelope addressed, again adding to the possibility of error. Because the loan folder moved through five different desks before being filed, it was often difficult to locate in the processing.

Management, through Michael J. Franco, assistant to the president, centered its attention on improving that service. The twofold problem, notes Mr. Franco, was to "consolidate the operation so that a legible coupon could be prepared and forwarded to the customers of our bank on the same day that the loan was closed, with a minimum of time and effort; and to make only one typed record which needed to be proofread and which would serve in preparing all records, including the letter and envelope.

"After investigating several approaches to our problem, we concluded the DITTO system was superior to any of the other methods considered."

Another feature taken into consideration was "the flexibility of the DITTO system, which is suited not only to present volume but to any anticipated future increase."



ONE HUNDRED members of the Chicago Association of Credit Men at a dinner meeting heard the educational program outlined by (l to r) Vern Dupy, National Lead Co., vice-chairman of the education committee; L. T. Hadley, Goodman Mfg., Co., association president; Dean Henry Theobald, Northwestern University Evening Division; Roger J. Burke, Wilson Sporting Goods, committee chairman, and Dean Dan Lang of Northwestern. Other speakers were W. M. Edens, Continental Bank and Trust Co., C.A.C.M. first vice president; Mrs. Fern Auge, Peerless Confection Co.; Miss Catherine Boland, John A. Roebling's Corp.; W. Baker, U.S. Steel Corp., and George Schmelze, Micro-Switch Div., Minneapolis-Honeywell Co.

Comparing the bank's present DITTO operation with the former method, Mr. Franco notes these benefits to the loan department:

Three complete steps in processing eliminated;

One-time typing of information instead of seven times;

Saving of approximately 12 man-power hours per day, or "1½ employees."

"In addition to the services which this equipment renders in the loan department, we use the DITTO for departmental memoranda, additions or changes to our bank operational manuals, the printing of our monthly newspaper and the preparation of dealer notifications and dealer agreements." The equipment also is used in the preparation of miscellaneous forms for the accounting department.

A. T. Woodward Dies; Headed Cincinnati Credit Men 1927-8

Alfred T. Woodward, secretary-treasurer of The United States Shoe Corporation, Cincinnati, died after a short illness. He served as president of the Cincinnati Association of Credit Men in 1927 and 1928 and

since that time was a member of the advisory board. Mr. Woodward had been a deputy clerk in the United States circuit court of appeals and studied law at night before going into the shoe business. He joined United States Shoe on its organization 23 years ago, in charge of the credit department.

H. L. Newnan

Henry L. Newnan, vice president and a director of the Detroit Insurance Agency, Detroit, had been with the company since 1920. He also was director and vice president of H. W. Rickel & Company. He served on a number of civic committees and had been active in the affairs of the Detroit Association of Credit Men, was president in 1929.

J. M. Philbrick

Joseph M. Philbrick, treasurer and director of General Builders Supply Corporation, New York, at the age of 85. He had been with the company for 25 years.

E. F. Coveney

Edward F. Coveney, credit manager of F. Diehl & Sons, Wellesley, Mass., a member of the Boston Credit Men's Association.

Wider Thinking Horizon Urged As Guide to Credit Operation

Future contributions of credit management "can be enhanced only by planning ahead, by thinking about the problems of your company and its customers and the broader economic aspects of your business." Pertinent to wholesale credit as well as retail is this statement by R. M. Grinager, credit manager, The J. L. Hudson Company, Detroit, as well as other guides for credit sales policies interlined by the retail area specialists at the 22nd annual conference of the credit management division of the National Retail Dry Goods Association, in Chicago.

"The credit executive in an alert and growing business has on his hands a job that constantly becomes bigger in terms of diversified activities and relationships that flow through, or cut across, his sphere of influence," Mr. Grinager noted. He advocated setting up "targets to shoot at," such as credit sales volume, number of new customers, collection percentage, continuous reduction of operational costs, increased advantages of the company's credit services.

People, systems, objectives, three main areas of action for the credit manager, gave Kenneth W. Hultgren, credit manager, The Dayton Company, Minneapolis, the framework for these eight basic steps to collection efficiency: (1) An account opened properly is half collected; make the necessary credit investigation. (2) Have a well-organized collection department; (3) Select good employees; (4) Outline your collection policy definitely and adhere to it rigidly. (5) Charge-off periods should not be too far apart (at Dayton, he said, accounts are charged off when nine months old). (6) Encourage a competitive spirit among collection assistants. (7) A community credit policy, such as Dayton's institutional advertising on the importance of paying bills promptly, can eliminate quite a bit of dunning. (8) Get a good collection manager.

Life Insurance Trend

A trend toward greater insurance benefits to the living policyholder is seen in "living" benefits of \$7,435,702 paid out to New York residents last year, against death payments of \$8,492,690 paid out on New York policies by Northwestern Mutual Life Insurance Company, reports Edmund Fitzgerald, president.

EXPERIENCE has proved that COMMERCIAL CREDIT is usually able to provide considerably more cash than is available from other sources. Important also is the fact that COMMERCIAL CREDIT provides funds continuously (if needed) without negotiations for renewals.

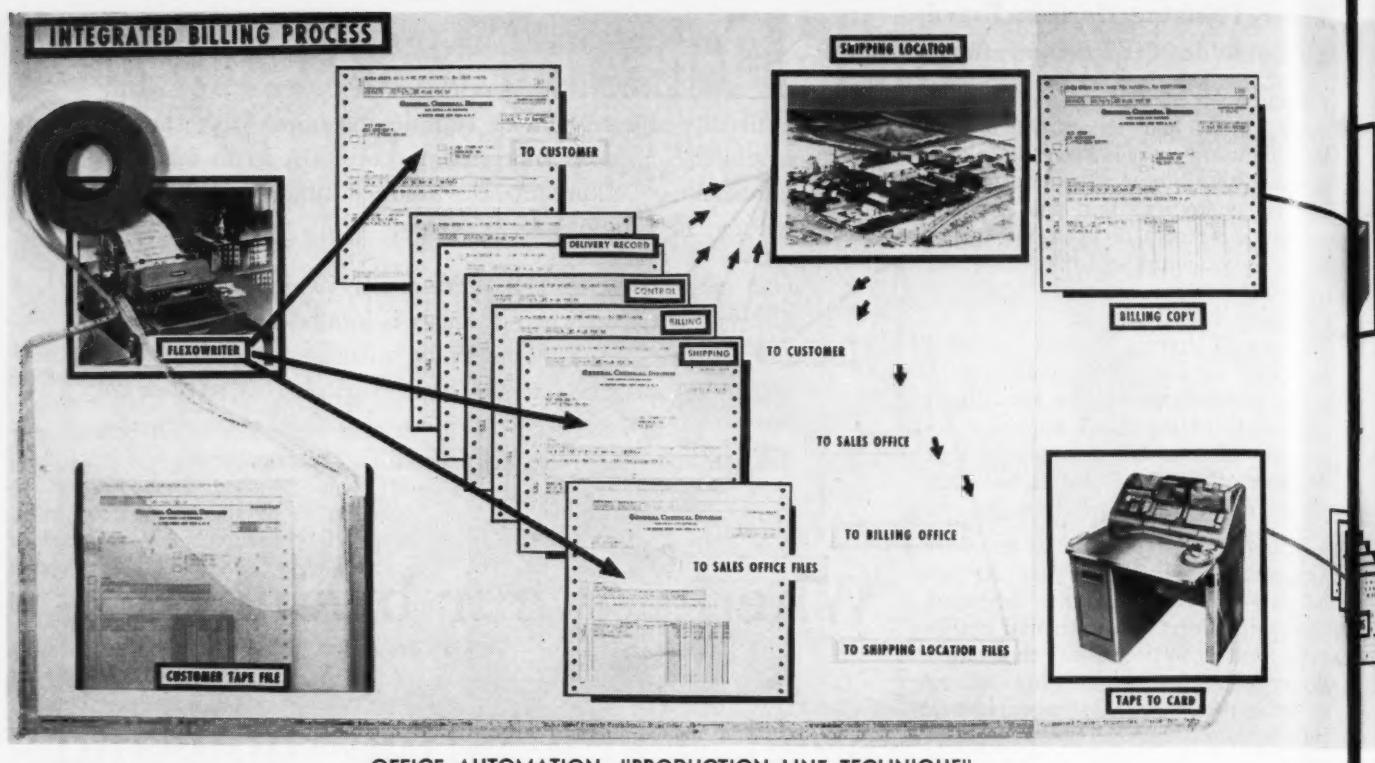
Our method is *quick*, with funds usually available within 3 to 5 days, no matter where the user is located in the U.S. It is *simple*, functions automatically without interfering with ownership or management. It is *reasonable* in cost, as there are no preliminary expenses, no long-term fixed commitments, and our one charge is a tax deductible expense.

**Whether your business
needs twenty-five thousand
or five million dollars,
get in touch with
Commercial Credit**

Knowledge of our method may make it possible for you to take advantage of business opportunities that might otherwise be missed. For additional facts, write or phone the nearest COMMERCIAL CREDIT CORPORATION office below. Just say, "I'd like more information about the plan described in *Credit & Financial Management*."

BALTIMORE 1—200 W. Baltimore St. CHICAGO 6—222 W. Adams St.
LOS ANGELES 14—722 S. Spring St. NEW YORK 17—100 E. 42nd St.
SAN FRANCISCO 6—112 Pine St.

**A Service Available Through Subsidiaries of
COMMERCIAL CREDIT COMPANY
Capital and Surplus Over \$180,000,000**



OFFICE AUTOMATION: "PRODUCTION LINE TECHNIQUE"

Chemical Reactions Move Fast, So Company Adopts Automation

LONG before industry in general, the chemical business "was forced into automation, automatic controls and feedback controls," notes Robert Moore, manager of systems and automation, General Chemical Division of Allied Chemical & Dye Corporation, New York City. The reason? "The swiftness of chemical reactions as compared with the slowness of human operator reactions" dictated the changeover.



ROBERT MOORE

At General Chemical's offices in New York City an impressive electronics installation by International Business Machines is now being successfully applied to an important area of office operation—the billing and allied functions. For its "feeder" or information source the installation utilizes Commercial Controls Corporation's Programmatic Flexowriter. The Programmatic Flexowriter, an originating (source) machine for any documentary writing, has the facility to store information into a byproduct tape.

From General Chemical's Moore, who devised the integrated data processing system and was respon-

sible for the installation, comes an interesting step-by-step outline of automated procedure in work.

Office automation visualized:

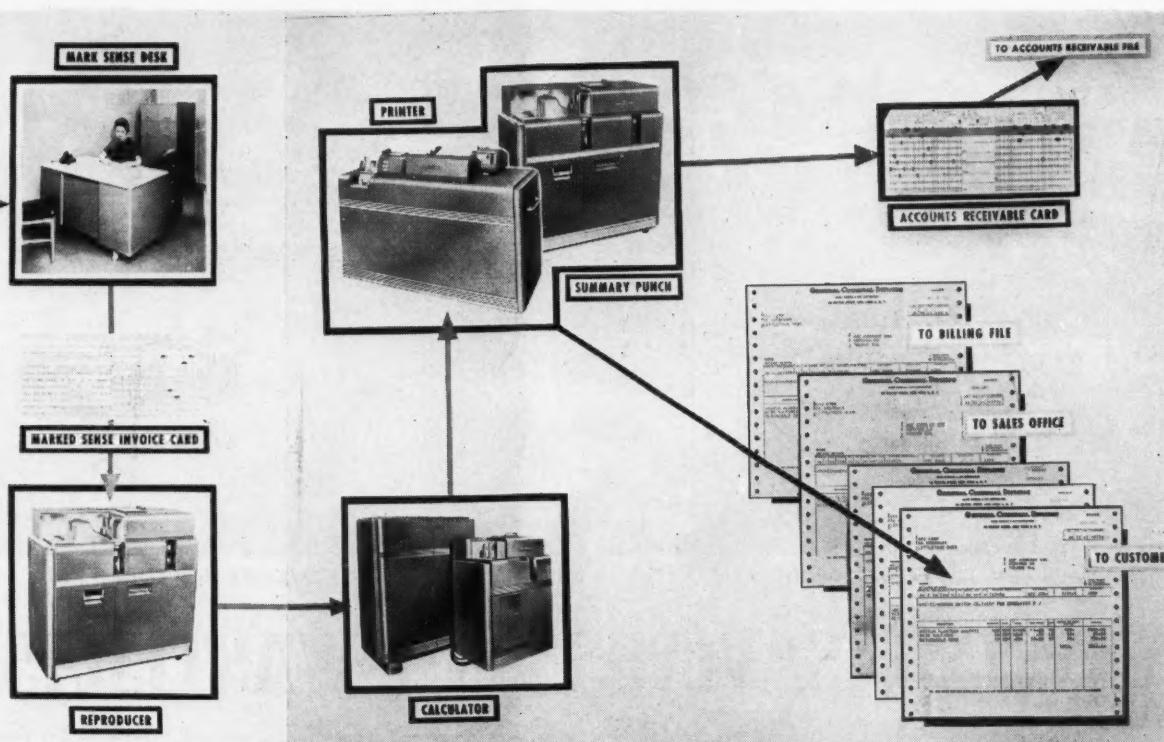


"We here at General Chemical visualize the concept of office automation as very much akin to the factory or production plan of automation. If we consider the flow of orders from the sales department, through all the various steps, to

the point of invoicing for materials shipped and receipt of remittance, as a main assembly line of a large continuous manufacture (e.g., final assembly of an automobile), further visualizing each of the steps that operate to feed into or from this operation as sub-assemblies, feeding in or out of the main line, we have a more vivid picture of Automation in the office."

The invoicing "problems" at General Chemical arise from its diversified products, which may be divided into six major lines:

- (a) *Basic industrial chemicals*—"heavy" chemicals; these are usually sold and shipped in bulk (full carloads or truckloads).
- (b) *Fine chemicals*—industrial chemicals of unusually high purity or quality; usually sold in the smaller commercial package sizes, in less than tonnage lots.
- (c) *Laboratory reagents*—usually sold in small package lots and single units.
- (d) *Agricultural insecticides, fungicides, weed killers and specialties*—sold generally in bulk tonnage lots.
- (e) *"Genetron" organic fluorine compounds*—sold generally in bulk lots by tank car, truckload or cylinders.
- (f) *Railroad weed killers*—generally sold in tank car lots or sprayed directly on road beds.



BILLING PROCEDURE AT GENERAL CHEMICAL DIVISION

Aut and Speeds Office Flow as Integrated Billing Process

Two Classes for Invoicing

For purposes of invoicing, these products can be regrouped into two classes:

(a) REAGENTS AND FINE CHEMICALS, characterized by wide variety and small quantity.

(b) BULK PRODUCTS, characterized by large quantity and little variety.

"The reagent and fine chemical line consists of over a thousand products, packaged on the average in four different sizes, making some 5,000 different items being handled. In the main, these customers are repetitive, making regularly recurring purchases, but seldom with any specific pattern to the items purchased."

"Conversely, the purchasers of our 'heavy' bulk line of products do fall into a recurring pattern, in that our regular customers make frequent purchases of specific items. This was one of the deciding factors in the designing of the system," explains the methods specialist. In other words, "much of our order writing involves a large amount of repetitive typing, i.e., name of customer, shipping data, various coding information, and product description—an excellent opportunity for the use of magnetic or punched tapes, or punched cards."

"The second factor to consider was the inherent variability of the

strength of our product in terms of the additional difficulties it created in the billing. Since price is generally quoted on one strength of the product, the invoice must naturally reflect any variations from this strength.

"The third factor involved is that General Chemical has sales offices located in industrial and agricultural centers throughout the country. Warehouses and works also are strategically situated across the nation."

Description of Procedure

There are five major procedural phases involved in the automatized procedure. (1) Sales; (2) Shipping Location; (3) Invoicing; (4) Tabulating; (5) Accounts Receivable. The following description of the procedure is a considerable condensation of a report by Mr. Moore.*

The sales office is equipped with a Flexowriter for use in setting up a file of punched tapes. An individual tape is prepared for each regular customer and in many cases a separate tape for each product regularly purchased by the customer. These tapes contain information common to each sale to the customer, such as "ship to," "sold to," routing.

On receipt of a purchase order from a customer, a shipping order is prepared automatically from these common language tapes, the variable data are typed in, and at the same time a continuous tape is punched for all the sales written that day by the sales office.

Converting the Data

The Flexowriter tape sets into motion these other components of the General Chemical's automatized billing system, which convert the data as described below:

(1) *International Business Machines 047 Tape-to-Card Converter.* The sales tape is forwarded daily by the sales office to the billing location, where it is immediately converted to IBM punched and interpreted cards on the 047*. The resultant invoice cards are filed in a tub file, pending receipt of shipment advice.

A copy of the shipping order serves as shipment advice and is forwarded, after the shipping data have been added to the form, to the billing office by the shipping location on date of shipment. On receipt of the shipment advice, the invoice cards are pulled from the tub file,

(Concluded on page 32)

*Space limitations preclude publication of the entire procedural description in Mr. Moore's report, "Billing Automation."

Although the 047 is an item of IBM equipment, supervision was assigned to Accounts Receivable section rather than Tabulating Section for better control of the function.



JOBBING ACCOUNTING DEPARTMENT of American Oil Company's New York Office

STYLING, SAVINGS AND WASTEBASKETS

WHEN the American Oil Company decided to move into new office quarters in New York and there consolidate certain departments, particularly from the main office in Baltimore, Management, including President D. J. Smith, and Executive Vice



D. J. SMITH

President L. W. Moore, found itself squirming atop the horns of a dilemma, a Hydra-headed dilemma of records—crammed filing cabinets and cases, literally thousands of them.

How the company in the first year of replanned records operation realized a total net tangible saving of \$37,800 in equipment and floor space, this after paying the professional fees for the planning service, is a story in which one of the most abused articles of office equipment, the lowly wastebasket—abused by unuse—was cast for an important role. More about that in a moment.

When Paul G. Purington, director of the records planning division of the Shaw-Walker Company, led his task force upon the scene he found what he termed an average example, in size and operation, of a modern and progressive business that had become overburdened by files.

American Oil was maintaining a volume of files equal to 3,016 drawers of 754 four-drawer filing cabinets. The Shaw-Walker survey

sheets, prepared in cooperation with the various American Oil departments, indicated that 1,612 drawers or 403 four-drawer files—a reduction of almost one-half—would house all the paper work actually required in the office for active reference.

An overall expansion and workability allowance varying from 10 to 20 per cent depending on the type of activity—194 drawers—was added to the figure. The final result was a saving of 1,210 drawers or 302 cabinets, a total net reduction of 40 per cent. Besides other savings involved in maintaining these unnecessary file cabinets, elimination of them released approximately 2,416 square feet of usable office space for other purposes such as personnel expansion. This would have been impossible under conditions as the planning group found them—and American's lease extends for 20 more years.

Had Planned for More Files!

Yet the oil company had been contemplating purchase of 100 more four-drawer files and construction of almost \$12,000 worth of cupboards and shelving to hold more paper!

Part of the \$37,800 tangible net savings effected will go on year after year, and intangible savings will exceed the apparent figure by several times, Mr. Purington estimates.

As economies achieved by the survey of the New York records became evident, President Smith foresaw possibilities larger than those contemplated in the planned

consolidation of several departments from Baltimore in New York.

"In connection with moving into our new quarters in New York, it was decided to establish a record planning program for the New York office," he wrote the main office. "The aims of the program were to conserve, wherever possible, filing cabinets and the floor space required for them. With the high cost today of maintaining offices, it is imperative that we maintain only those records that are absolutely necessary for the running of our business.

Extended to Main Office

"Because we were so successful in obtaining our desired objectives, it was decided to explore the potentials that might exist in our main offices in Baltimore. The preliminary study that was made of our Baltimore offices revealed that the conditions there were similar to those in our New York office, in that many of the records now being kept can either be destroyed or transferred to storage.

"To bring about a uniformity in record keeping procedures and, at the same time, to bring about as much savings in equipment and floor space as is possible, it has been decided to extend this program to the Baltimore main office. This program is to include those activities that will be moving to New York City as well as those activities which are either to remain in Baltimore or are to be relocated in other cities. We need your help and cooperation in setting up the balance of this record planning program. To assist

us in the establishment of this program, we have engaged the consulting services of the record planning division of the Shaw-Walker Company."

So it was on to Baltimore for the Shaw-Walker efficiency squad. In the basement it found 4,332 file transfer cases of material. This total was reduced to 1,902 transfer cases, and the discarded 2,430 cases added 39 tons of paper to that previously destroyed.

One department would not have been able to move to the New York space, for it was maintaining 436 drawers of material. Records planning eliminated 361 drawers and left 75 of workable material to move. Here was an 83 per cent reduction. The overall reduction for the groups moving to New York was 49.3 per cent and the overall Baltimore average reduction was 43.6 per cent, "about par for the course" in the words of Mr. Purington, who has directed records planning jobs for such companies as Atlas Powder, Pittsburgh Plate Glass, and the First National Bank of Atlanta.

Vice President Moore had followed the project from the start. Mr. Moore's comment: "There is no doubt in the mind of anyone here as to the advantages of our record retention and disposition schedule as set up by Shaw-Walker."

A more satisfying solution all around than buying more file equipment—to hoard additional papers. And what of the millions of dollars a year that are lingeringly smothered to death in forgotten records in buried cabinets, when the end could have been charitably abrupt with brighter interment in the office wastebasket? And 95 per cent of business, says Mr. Purington, keeps too many useless papers, largely because employees don't "think before they file."



Vice President L. W. Moore

11-Day Job Cut to 3 Hours in Full Scale Use of Medium-Size Computer by an Insurance Company

A STATISTICAL report which formerly required 100 hours to complete, using various types of punched card equipment, now is completed in 10 hours; an accounting report which required 11 working days of personnel and punched card equipment now can be done in 3 hours. A quarterly report for underwriting, comprising data from 2,100 licensed agents in 26 United States and Canadian branch offices, which initially took 1,800 man-hours and was reduced to 100 hours last year by office machines, still leaving a month's lag before Management got the figures, now is compiled electronically in just 12 hours.

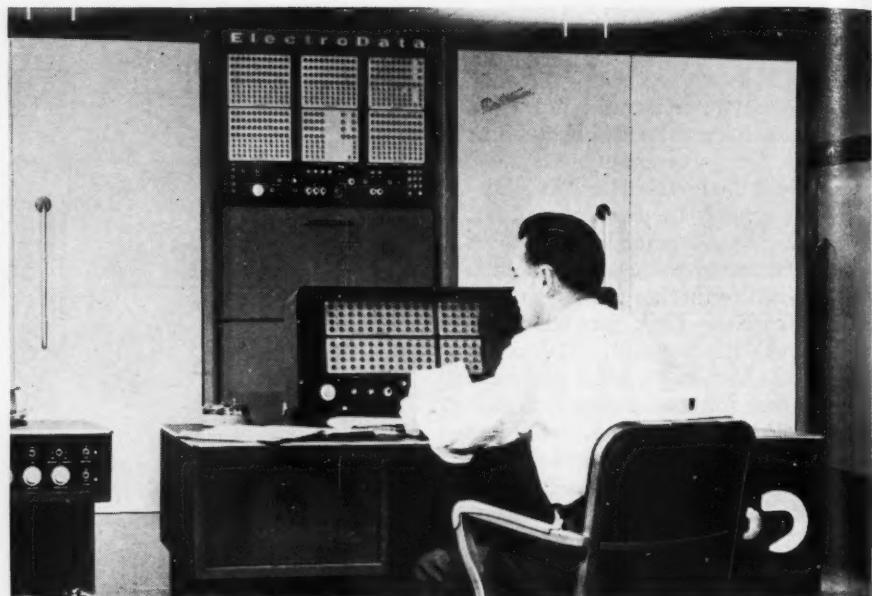
These advantages attained at Allstate Insurance Company's Skokie, Ill., home office, with its Datatron digital computer, convincingly demonstrate the electronic data processing system's value in breaking through the "paper curtain" of the insurance industry. Interesting to note is that the Allstate installation represents a full-scale application of a medium-size computer to business and office procedures.

The mass paperwork involved in servicing Allstate's three million policy holders—automobile, personal liability and fire insurance—obviously added up to formidable data handling problems. Clearly, business expansion could not coexist efficiently with oppressive clerical detail. This was the problem when Management turned to electronics for the answer, notes L. L. van Oosten, director of methods research for the insurance organization.

Electronics Study Group

A study group was set up by Allstate to independently evaluate and formulate the problem. Various computer makes were investigated before selecting the DATATRON digital computer, a product of Electro-Data, affiliate of Consolidated Engineering Corporation of Pasadena (Calif.)

"During our period of studying computers," notes Mr. van Oosten, "we determined that one in the large category would require us to put all our eggs in one basket, thus creating a bottleneck. We further felt that a large computer would take more



ELECTRONICS—DATATRON Digital Computer System in operation at Allstate Insurance Co.'s home office in Skokie, Ill., represents full-scale application of a medium-size computer to office procedures. Kenneth J. Lee is at the desk-size console.

time to prepare for, install and get into actual operation."

The DATATRON has been in operation since January. Acquainting Allstate's personnel with the computer language and its data-processing flexibility and capacity was the manufacturer's role.

Decentralized Operation

We follow the application of the Datatron system at Allstate:

"Allstate operates on a decentralized basis," notes Mr. van Oosten. "This includes our gathering of accounting and statistical information, and has proved to be very successful."

Data gathered by the company's branch offices are passed on to five zone offices and summarized in the form of punched cards. The cards then go to the home office for final report preparation through the use of the computer.

A typical computer operation at Allstate is determination of insurance renewal premiums, using the card-in, card-out method of computation. Elements which affect the premium—type of vehicle, bodily injury and property damage limits, territory, medical payment plan, etc.—are first "coded" and then punched into cards. The tables from

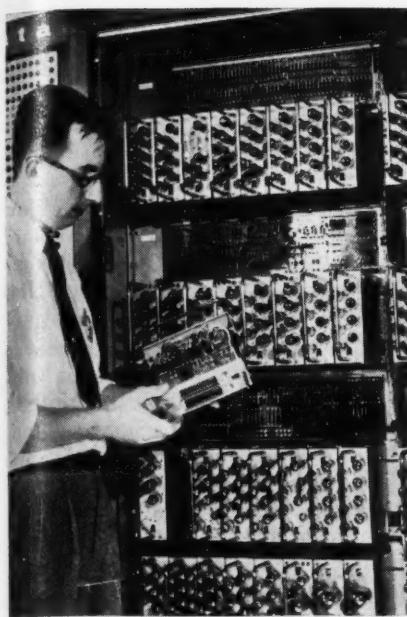
which various premium amounts are extracted are stored in the computer's main memory; after the cards have been sorted and grouped, each classification is processed in turn through the computer, and results are automatically punched out.

"The data are fed into the computer in the form of 80 column punched cards at 200 cards per minute, punched paper tape at 540 digits per minute, or magnetic tape at 240,000 digits per minute," further explains Allstate's methods research specialist. "A typical problem or report would be prepared by reading the instructions from punched paper tape, the current data from punched cards and brought-forward data from magnetic tape.

"After the computer completes its operations, the results are printed out automatically on an IBM line printer."

Never Balks at More Work

"We now use the DATATRON about 85 hours per month producing consolidated accounting and statistical reports in the home office," notes Mr. van Oosten. "Additionally 150 hours per month use is for new program debugging, research and training. This totals 235 hours per month usage. Each month we add



PLUG-IN UNITS of the ElectroData Corporation's DATATRON system provide for ease of maintenance. Alan E. Gerlach is examining one of the plug-in units of the Allstate Insurance Co.'s installation.

to the production time as we put more reports through the system.

"We are experimenting with accumulating current detail data on magnetic tape to determine the feasibility of decentralized computers.

"Recently we completed installation of three magnetic tape drives to the system which will materially increase our production time."

(DATATRON flexibility is achieved with a variety of input-output equipment, including perforated paper tape, decimal keyboard, automatic typewriter, punched cards, line tabulator and magnetic tape. Also, the computer itself has an unusually large vocabulary of built-in instructions, or automatic "commands." For quantity reproduction the ElectroData unit will make master plates or drive a line printer at 150 lines a minute.) The entire system occupies an area approximately 30 ft. by 30 ft.

Four men program and operate the Datatron. This includes the engineer. "And we are currently training personnel in the tabulating department to program and operate the equipment."

Not only are savings of time achieved but the system has "materially reduced the amount of paper involved in supporting the reports prepared." Concludes the insurance company's methods research director: "The DATATRON is now a part of our statistical-tabulating department and operating on a schedule much like other equipment, paying its own way in machine and personnel replacement."



LOOK FOR THIS MAN!

He is your local U.S.F.&G. Agent

YOU'LL want to see him because he knows how to give your company maximum coverage against losses which are due to dishonesty, vandalism and accident . . . with a minimum of premium outlay.

Or if you want to see him today, there is a U. S. F. & G. agent in your community who will be glad to call on you at your convenience.

Naturally there is no obligation.

U.S.F.&G.

CASUALTY
FIDELITY-SURETY
FIRE

United States Fidelity & Guaranty Company, Baltimore 3, Md.
Fidelity Insurance Company of Canada, Toronto

Guides to Improved Executive Operation

KEEPING INFORMED

THE OUTLOOK FOR BUSINESS—Credit and financial executives will want to read this compilation of the outlook for business for the last six months of 1955, by eleven leaders representing a cross-section of American industry. Single copies free. May be obtained from The First National Bank of Chicago, 38 South Dearborn St., Chicago 3, Ill.

MIND YOUR ADVERTISING MANNERS—A 36-page guidebook chock-full of information of interest to business executives who do not have an advertising manager, and others who are responsible for advertising. Write Reynard Press, Inc., 2700 Nineteenth St., San Francisco 10, Calif. Price 75c.

CONTROL OF FEDERAL GOVERNMENT EXPENDITURES—A 30-page booklet on government budget problems. Write to the Committee for Economic Development, 444 Madison Ave., New York 22, N.Y. Single copies free.

THE COST OF INFLUENCING PEOPLE—A new folder, dealing with the cost of writing letters, is offered by the Neenah Paper Co., Neenah, Wis. Free.

How to minimize effectively the number of words for various types of telegrams is covered in a new booklet issued by Western Union Telegraph Co., 60 Hudson St., New York 13, N.Y. Free.

WATERMARKING PROCESS—Any company's logotype, trade mark, seal or design can now be watermarked on checks, contracts, wills, policies, deposit slips, letterheads, billheads, business cards or other forms through a process recently perfected by the Guaranty Paper Company. As many of the same or different watermarks may be placed upon a dry sheet as are reasonably required, either before or after the paper has been printed. Write Guaranty Paper Co., 2344 Prospect Ave., Cleveland, Ohio.

Informative reports, pamphlets, circulars, etc., which may be of interest to you. Please write directly to the publisher for them. CREDIT AND FINANCIAL MANAGEMENT does not have copies available.

To expedite receiving these booklets, please address all inquiries concerning Efficiency Tips to CREDIT AND FINANCIAL MANAGEMENT, 229 Fourth Ave., New York 3, N.Y.

EFFICIENCY TIPS

475 "How to Get Greater Service and Value from your Records & Letters" is a study of selection of paper for specific duties, issued by L. L. Brown Paper Company. For a copy of this booklet write us.

476—Colitho "Application Idea Folio" of Columbia Ribbon & Carbon Manufacturing Company contains ideas for paperwork simplification through the use of offset paper plates. The application ideas, compiled from actual case histories, are grouped in six general categories which are divided by file separators, namely: buying, converting, selling, accounting, institution-government, and miscellaneous. Each idea sheet gives basic information and business form design of the particular application. For your copy, please write us.

477—"Break Through Your Cost Barrier" explains how today's advanced computer for punched-card electronics, the Remington Rand Univac 120, gives figures that would otherwise be too costly, take too long to prepare or require more skilled personnel than available to the company. The brochure tells how profit analysis, payrolls, billing, and cost, production and engineering records are now being handled at greater speeds and in more detail than before. Free, write us.

478—Thomas Collators, Inc., has an illustrated brochure which describes the new portable Table-Top Collator, incorporating many of the operational features of the larger floor models. The new unit, which accommodates eight sheets and requires only 16" x 29" of desk space, has been designed to meet the needs of the smaller office. A rotating Feed-Finger permits all papers to pass before the operator for inspection, thus eliminating blanks or misprints from slipping through. Write us for your copy of the brochure.

BOOK REVIEWS

NEW RAPID TAX DEPRECIATION, How to Use It Profitably—by Willard F. Stanley. 170 pages. \$15. Prentice-Hall, Inc., 70 Fifth Ave., New York 11, N.Y.

Not all economists will agree in every detail with the almost unqualified conclusion of the author, president of Corporate Services, Inc., that under the new Internal Revenue Code rapid depreciation is advantageous both financially and economically. For example, Henry H. Heimann cautions that, while on the whole applying the heavier depreciation now would seem good business management, each company should make a careful evaluation of factors in its operation before deciding.

The author supports his main thesis with a wealth of tables, charts and statistical comparisons, in examples.

A work which, unqualifiedly, every person concerned with business taxation processing should have at his elbow.

SAFEGUARDS AGAINST EMPLOYEE DISHONESTY IN BUSINESS—Free. The Surety Association of America, 60 John Street, New York 38, N.Y.

The cost of employee dishonesty to American business enterprises is estimated at more than a half billion dollars annually. The full extent will never be known because many frauds go undetected. This increasingly important problem has focused the attention of business leaders on the need of curbing this loss. The Surety Association of America which prepared this booklet in cooperation with the American Institute of Accountants, has not only analyzed the problem but presents in this free booklet many basic guides to sound internal control against the depredations of the embezzler. It outlines protection afforded. Since the Surety Association of America offers this booklet free and without obligation, it behooves every credit and financial executive to inform himself that such losses may be curtailed to the minimum.

Books reviewed or mentioned in this column are not available from CREDIT AND FINANCIAL MANAGEMENT unless so indicated. Please order from your book store or direct from the publisher.

The Chicago Annual

Work savers, efficiency promoters, cost reducers—these are the magnets that are drawing record numbers of Management executives to the nation's business shows. More than \$2 millions of office machines, the products of 120 office equipment manufacturers, which went on display at Chicago's 13th annual business show drew an unprecedented number of executives to the four-day exhibit. Sponsor was the Office Management Association of Chicago, in conjunction with Northwestern University.

Sales of office equipment and supplies in the Chicago area are expected to go over the \$60 million mark this year, according to an industry survey by the Office Management Association of Chicago, which itemizes expenditures as follows:

	(Estimated)
Adding and Calculating Machines	\$ 9,500,000
Desks	12,500,000
Files	12,500,000
Chairs	6,250,000
Typewriters, manual and electromatic	6,500,000
Typewriting Supplies (ribbons, carbon paper, stencils)	3,000,000
Bookkeeping machines	2,500,000
Microfilm Equipment and supplies	950,000
Office contact printing equipment	750,000
Cabinets, shelving and safes	6,250,000

New Federal Tug on Credit Checkrein May Come Soon, Says Bank Official

ADDITIONAL tightening of the credit reins by the Federal Reserve Bank before year-end would not be surprising, to avoid "borrowing from the future" at a time when prospects are that business will maintain its high rate of activity through 1955 and over the long range.

That's the picture limned to members of the Credit Managers Association of Northern and Central California by A. H. Brawner, chairman of the San Francisco Federal Reserve Bank and president of W. P. Fuller & Company.

That there will be periods of adjustment, however, is indicated by danger signals on the economic front, Mr. Brawner declared. Among them he cited these points:

Inventories are not too high but the same cannot be said of the rate of increase;

Increase of wages may be outstripping productivity, a road to inflation;

Margin purchasing in the stock market has been advancing at too fast tempo.

Hence the program of the Federal Reserve all year to exercise a moderate but gradually tightening restraint on credit, Mr. Brawner said, because if business prospects are "too good" the temptation to dip into the future could bring an "exaggerated downturn."

The bank executive called the recent pulling of the credit strings on home purchases a healthful warning,

its soundness reflected by the leveling off in new home construction.

As president of a company which has spent \$14 millions in postwar construction with more to come, Mr. Brawner's thinking combines direct interest in construction from a private company's standpoint with the wider horizon of a federal institution's obligation to industry and consumer. These interests merge in the one conviction that while adequate supply of credit is needed, the basic importance is that that credit be sound.

Edmund Wright Gets First Standard Factors Common

To Edmund Wright, a retired officer of Standard Factors Corporation, New York, went the honor of making the first official transaction in the common shares of the corporation on the Stock Exchange. President Theodore Silbert arranged the purchase of 85 shares, "one for each of the 85 years" of the corporation's credit manager emeritus, who was one of the founders of the New York Credit and Financial Management Association.

Some people can stay longer in an hour than others can in a week.

—Howells

Dear Merrill Lynch:

Without obligation, please give me whatever information is available about these securities which

I now own (please give number of shares), or which . . .

I am now considering buying

I should like to have your recommendations for the investment of \$_____. My objective is

- Safety of capital, or
- Dividends of 4%—5%, or
- Increase in value

Name _____

Address _____

City & State _____

Just fill in and mail to—

WALTER A. SCHOLL
Department CF-1

**MERRILL LYNCH,
PIERCE, FENNER & BEANE**

70 Pine Street, New York 5, N. Y.

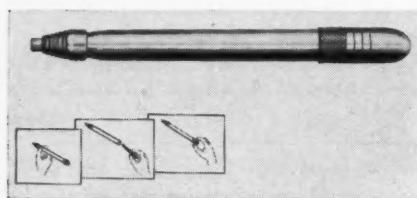
Offices in 107 Cities

Modernizing for Office Efficiency

introducing new office equipment and systems to effect economies in labor and cost, as well as to speed production of essential office work

For Sound Slidefilm

A-219 A new concept of sound slidefilm presentations is the use of the Automatic Projection Corporation's SOUNDVIEW Projector in conjunction with the Webster Electric Ekotape Cinaudio Tape Recorder, Model 207, which provides up to an hour of uninterrupted sight and sound continuity, automatically synchronized. The tape recorder can be used as a recorder and playback on its own. Tapes can be erased automatically, re-recorded or cut and spliced. In industry, for universal coverage using the same filmstrip, tapes can be recorded in several languages. The SOUNDVIEW projectors are light in weight and are available in 300 and 500 watts. There are models for remote pushbutton control of 35 mm. stripfilm only, or with accommodations for 2x2 and bantam slides. Literature on request.

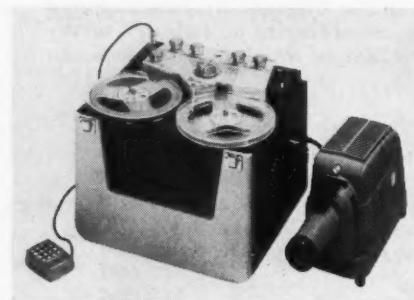


Smudge-Free Marking Pen

A-220 The BINNEY & SMITH Feather-Mark cartridge-fed, felt-tip marking pen speeds up marking. It is filled in seconds by insertion of a sealed ink cartridge, which opens automatically when the point is pressed to write. Possible damage from ink smudging is eliminated. Made of sturdy polished aluminum, the pen carries a lifetime guarantee when used with Feather-Mark ink. Length of pen is 7 1/8 inches.

More Uses for Copier

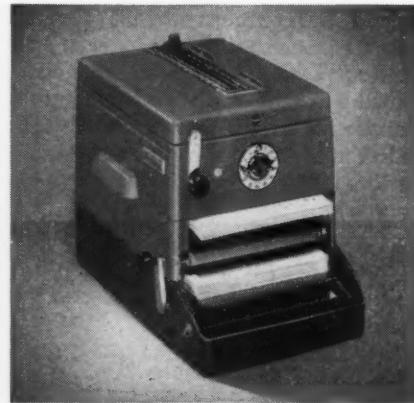
A-221 The Kodak Verifax Copier of EASTMAN KODAK COMPANY makes possible multiple copies in less than a minute in a fully lighted room. The Verifax copies practically any typed, written, drawn or printed original through the 8 1/2 x 11 inch size, including book and magazine pages and forms on card stock. A legal model also is available for copying matter through the 8 1/2 x 14



inch size. The equipment consists of an entirely self-contained unit, the Verifax Printer, approximately the size of a typewriter. Only one sensitized sheet, the matrix, is utilized.

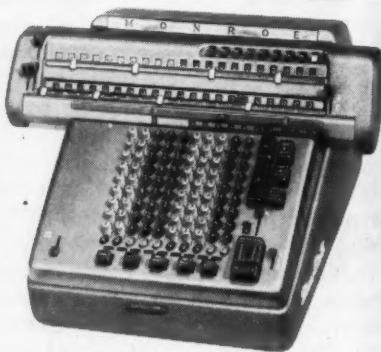
This Department will welcome opportunities to serve you by contacting manufacturers or wholesalers for further information regarding products described herein. Address MODERNIZING, Credit & Financial Management, 229 Fourth Ave., New York 3.

lized. Actual copies are made on V-Print paper, or one of a number of unsensitized commercial papers. One matrix can be used to produce additional copies. The unit also may be employed to produce offset printing plates for office-type duplicators. By using a new type direct-image paper plate in place of the copy paper ordinarily used, a master is produced which can be placed on an offset duplicator for printing hundreds of copies. The Verifax plugs into any 110-volt A.C. or D.C. Details on request.



Improved Pencil Carbon

A-222 "Nu-Kote" is a new, long-wearing, improved manifolding carbon paper adapted to pen or pencil writing on register rolls and addressing machines, and is now being manufactured by the BURROUGHS CORPORATION subsidiary, Mittag & Volger. The manufacturer points out that this is the first non-tack, non-curl carbon ever produced without the use of a back coating and that it will outwear ordinary pencil carbon by two or three times. The new carbon also reduces writer's fatigue by producing a number of legible copies with little pressure. The carbon will not dry out and may be stored indefinitely. Comes in black, blue and red.



Keyboard Magic

A-223 The latest model of the 8-N completely automatic calculator, the SIMPLEX MONRO-MATIC, designed by MONROE CALCULATING MACHINE COMPANY, adds to its single keyboard features many new advantages to bring full figuring automation to the office. These include automatic dividend alignment with on and off control, automatic clearance of upper dials from the divide key, automatic carriage return from negative, accumulative and multiplying keys, split control for the lower dials for retention of amounts in either side of the split, automatic keyboard clearance control, permitting amounts to remain on the keyboard or be cleared at the end of the operation; and larger keybuttons for better finger control and easier action. The machine is to be had with both 2-series dials, known as the 8-N212, and 3-series dials, the 8-N213.

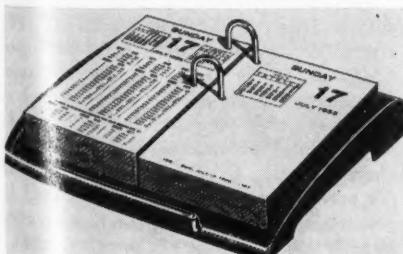


Speedy Collator

A-224 The Accra-Feed Collator makes possible compilation of up to 50 identical sets of printed matter in one operation, organizing each of 125 different pages in proper sequence, ready for binding, stitching, stapling or banding, at a speed up to 6,000 sheets an hour. The machine has two counters, one to designate any number of the 50 pockets to be used, the other to control the desired number of sheets in each pocket. Easy to operate, the REPRODUCTION PRODUCTS COMPANY's machine has a photoelectric scanning device which automatically eliminates all unprinted pages, and an adjustable micrometer which rejects double sheets. An electronic system prevents missing. The device is completely automatic and pages are fed from a continuous loading carriage by a positive vacuum action. Write us for further information.

Date-Juggling Solution

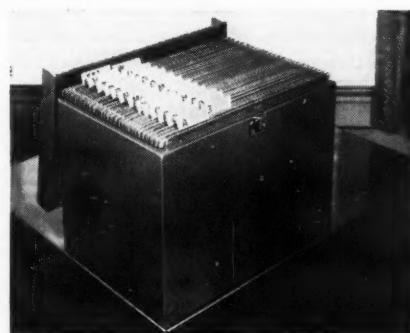
A-225 A new type of desk calendar, the "Calendater," is designed to free from calendar arithmetic problems anyone who must determine the exact date of "so-many" days from today, or the date on which accounting periods begin. A product of COLUMBIAN ART WORKS, INC., the calendar tells at once, day-by-day throughout the year, the exact date of interval days, weeks and four-week accounting periods. This is done by means of 365 date-finder tables, one for each day of the year, placed immediately facing each standard calendar page. Future dates for each day are given for the intervals of time most commonly used by business



and professional people. In addition, at the back of the Calendater are extra tables for computing 4-week accounting periods for fiscal years ending January 31, February 28, etc. Write us for further details.

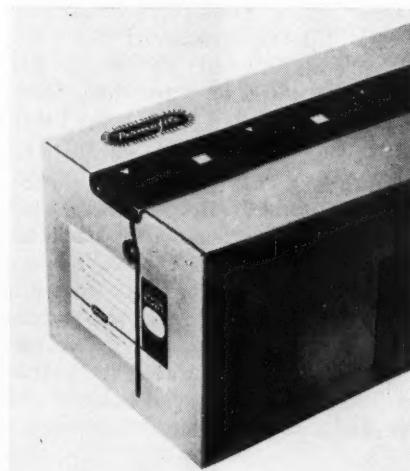
Take It or Leave It

A-226 A useful portable file case for Pendaflex Hanging Folders introduced by the OXFORD FILING SUPPLY COMPANY is the CARRYFILE. Made of lightweight steel and 9 x 10 x 12, the portable file has full width piano hinges, solid brass clasp-type locks and easy-to-grasp leather handle swung between solid brass links. The file stands on rubber buttons. Available in sand tan only. Ask us for details.



New Durable Storage Files

A-227 PERMAFILE, a new and economical storage box for inactive files is a product of OFFICE EQUIPMENT MFG. COMPANY, INC. Although the storage boxes are made



of sturdy, corrugated fibreboard, "the steel closure makes the difference". This is a steel strip (22 gauge) 3" wide, extending the full length of the box and formed to fit over each end of it. To facilitate closing and opening, cords are factory-attached to the steel strip. Records stored in Permafile, it is emphasized, have a larger degree of durability and stay cleaner. Write us for additional details.

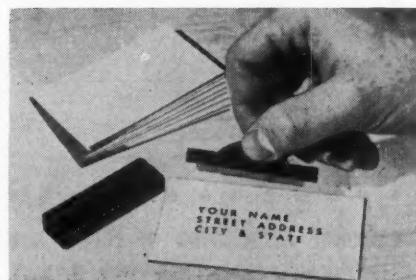


Cutting Blueprint Costs

A-228 The SPEEDMASTER, 1400 C, a new 44" volume production, ammonia-dry whiteprinter, announced by PECK & HARVEY MFG. CORPORATION, has been designed to cut blueprint costs and speed plant and office procedures in the engineering department or office reproduction section. Black line and colored line blueprints can be easily, safely and economically printed in volume, duplicate copies of translucent originals in minutes. There are separate storage compartments for cut sheets and roll stock, while a roller hanger provides accessibility directly from the storage area. The machine operates on 115 volts, 60 cycle AC. Size: 60" x 20" x 62" high, plus 12" feedboard. Further details on request.

On-the-Spot Pocket Printer

A-229 A useful item is a new low-priced POCKET PRINTER being distributed by the WELLINGTON ORGANIZATION. Especially designed to appeal to all who are in direct, daily contact with the public, the Pocket Printer comes in an extremely compact case containing an ink pad which automatically inks the printer when the case is closed. The cases are available in plastic, leather or metal. The Wellington printer will be of real interest to those who require clean and instantly legible indorsements. They are equally suitable for use as premiums, incentives, prizes, or standard equipment for personnel. Further information will be provided on request.





F. W. Kern V.I.P. in Metal Products writes:

"We're pleased to inform you that, thanks to your persuasive action, the Co. has paid their balance in full."

F. W. KERN
Credit Manager
The McKay Company
Pittsburgh, Pa.

Mr. Credit Man

You can expect the same results (paid in full) with high frequency after you've delegated your tough collection jobs to us, for our Collection Bureaus have rung up this outstanding record: Collection of almost 90% of referred claims.

Write Now

It will pay you to get the facts about our Collection System. Mail the coupon. We'll mail the information.

• • • • • • • • • •

NAME _____

COMPANY _____

ADDRESS _____

CITY _____

STATE _____

• • • • • • • • • •

NATIONAL ASSOCIATION OF CREDIT MEN
229 Fourth Avenue, New York 3, N. Y.

GENERAL CHEMICAL CO.

(Concluded from page 23)

shipping data are added by a "mark sense"** pencil, and the cards are sent to the tabulating department.

(2) **IBM 519**—the "Mark Sensed" invoice cards are fed into a reproducer, the IBM model 519, for conversion of mark sensing into punched holes.

(3) **IBM 604**—The second step is the Calculating Punch, IBM model 604, which performs the following operations for each product shipped:

- a. Converts weight from the quantity recorded as being shipped to the same basis upon which price is quoted.
- b. Multiplies unit price times quantity shipped.
- c. Calculates freight charges.
- d. Computes sales taxes, where involved.
- e. Determines values of returnable containers included in shipment.

The results of these calculations are punched in the proper positions on the invoice cards. This entire operation is done with one pass through the calculating machine. The calculator, incidentally, also ignores any invoice card that is other than for a product shipped, i.e., customer's name, sales analysis coding cards, routing cards, etc.

(4) **IBM 407**—After calculation, the invoice cards are passed along to a Printer (Tabulator), the IBM model 407, to print a five-part invoice, also a Kant-Slip† continuous form. This equipment at the same time adds up all the items and prints a total amount due. Electrically connected with the Tabulator is the following:

(5) **IBM 519 Summary Punch**, which automatically punches an accounts receivable card for each invoice. The accounts receivable card is used as a ledger card for accounts receivable. In this form, of course, it can subsequently be used to run customer statements, cash remittance vouchers, customer trial balance and similar accounting requirements.

The invoices, together with the accounts receivable cards and proof balances, are turned over to accounts receivable for distribution of forms and checking out of controls. The invoice cards are now free for the various runs required for cost analysis, sales analysis, other uses.

Specific advantages resulting from the application of integrated data

**Mark Sense—a pencil mark in a predetermined position on an IBM card that can be converted to a punched hole in the same card.

†Trademark of The Standard Register Company.

processing to General Chemical's billing operations already achieved in five months of operation are noted by Mr. Moore:

(1) Reduce considerably the repetitious typing of common data on shipping orders at the various sales offices. A further extension of the procedure already in the planning stage is to include a bill of lading with the shipping order, reducing still further the repeated typing involved in producing that document as a separate operation. With the Flexowriter, daily output of shipping orders is double that produced with the electric typewriter.

(2) Production line techniques, besides mechanizing the processing of the shipping order and invoice, tend to speed the operation and subsequent billing. Better customer service results.

(3) Greater accuracy is achieved in processing invoices.

(4) Transfer of a number of personnel from the billing operation to other areas reduces not only direct cost of invoicing but also the cost of many fringe items.

(5) Absenteeism problems are considerably reduced.

(6) Monetary savings result from speed-up of the billing.

(7) By-product data are obtained automatically; for example, cost statistics, sales and marketing analysis, forecasting information.

Still wider application of office automation is visualized by Mr. Moore, who concludes:

"We have merely scratched the surface in the application of this concept to our operations. To even approach some of the production efficiencies of the chemical industry, we have a long way to go."



MUTUAL OF OMAHA has ordered a 705 electronic data processing machine, latest addition to the International Business Machines Corporation's 700 series of "giant brains." First applications will be to premium accounting, premium and claim statistics, actuarial computations and file maintenance, for both Mutual and its companion life insurance company, United Benefit Life Insurance Co. of Omaha.

Four Kinds of Duplicating Machines Offer Time-Saver for Every Office

DUPPLICATING equipment was developed to eliminate costly and time-consuming duplication of another kind—manual writing or typing. Among factors to be considered in selecting the most suitable reproduction equipment for an office's purposes are: the job to be done—whether general duplicating or systems work; the number of times the master will be used; whether there will be subsequent writing on the master; whether high or low volume output; speed; permanence of image; suitability of quality to the job; and costs, both of initial equipment and the finished copy.

Major types of duplicating equipment include: 1) stencil; 2) fluid (also called direct, spirit or liquid); 3) offset; and 4) diazo (white-print) process; with certain subgroupings or modifications. Photocopying

equipment, Multigraph, multilith and letterpress are other important types. Briefly described below are the fluid and stencil types, with names of manufacturers. The other important types will be treated in later issues.

STENCIL TYPE

Writing is done on the stencil master, a sheet covered with a soft film, into which the writing image "cuts." The stencil is placed on a rotating cylinder and sheets pressing against the stencil take the reproduction. The master may have a form outline preprinted on it.

A. B. Dick Co. Mimeograph, a versatile type, reproduces any volume from six to 5,000 copies from one stencil, at speeds ranging from 80 to 180 copies a minute. Nine different colors of ink besides black are available.

A. B. Dick Co. Azograph, particularly for short-run duplicating. The company notes that because the two color-forming compounds used cannot react until they contact a third chemical in the duplicating machine, the factor of dye stains on fingers or clothing is eliminated.

Gestetner Model 260 Continumatic Duplicator provides automatic inking in a range of colors. Copy types, written, ruled, sketched, or photographed may be duplicated at the rate of 30 to 140 copies a minute.

FLUID TYPE

Writing goes on the face of the master; backing it is a carbon coated with a wax composition, to which aniline dyes have been added. Sheets passing through the drum are brought into direct contact with the master.

DITTO "one-writing" system. The Masterset can be used for multiple-copy sets of documents, such as order-invoices, shipping labels, parts orders. Blockout of certain information is possible. The Model D-45 takes any weight paper or card stock, up to 15½" size, runs off up to 100 copies a minute. A single master may be used for up to 300 copies. It can be combined with punch tape telegraphic transmitting equipment to process orders from several plants through a central billing office. Masters can be made photographically by the Xerography process. Particularly suitable for reproduction of



JOSEPH MASSAGLIA, JR., President

Hotel MIRAMAR AND BUNGALOWS
SANTA MONICA, Calif.

California's World-famous Resort—250 rooms
WILLIAM W. DONNELLY, Manager

Hotel SENATOR
SACRAMENTO, California

The Capital's Premier Hotel—400 rooms
CHARLES W. COLE, Manager

Hotel EL RANCHO & Bungalows
GALLUP, New Mexico

World's Largest Ranch House—200 rooms
MARTIN L. HANKS, Manager

Hotel PARK LANE
DENVER, COLORADO

Magnificent Rocky Mountain View—400 rooms
CHARLES W. COLE, Manager

Hotel RALEIGH
WASHINGTON, D. C.

On Famous Pennsylvania Ave.—500 rooms
JOHN F. SCHLITTERBECK, Manager

Hotel BOND
HARTFORD, Conn.

Hartford's Finest—400 rooms
GRIFFITH R. DAVIES, Manager

Hotel SINTON
CINCINNATI, Ohio

Hospitality at its Best—700 rooms
JOHN SCHEIBLY, Manager

Hotel SHERWYN
PITTSBURGH, Pennsylvania

Center of Everything
MURREL F. VAUGHN, Manager

World-famed hotels—
Teletype service—Family Plan

Electronics Show

The first electronic business systems conference to be held in Los Angeles under the sponsorship of the western region, National Machine Accountants Association, showed the products of leading manufacturers of electronic equipment for business use.

The exhibit concerned itself with the practical uses of both large and small computers in varied types of operation. Other items produced for high speed record-keeping and processing also were displayed.

drawings, office forms, catalog pages.

Duplicators, Inc. "Alison Machine 101" with Visi-Copy feature, uses any size stock from postcard to 15" long. Will print up to 500 copies from one master sheet. Paper feed and fluid control are automatic. Prints from one to five colors.

Wolber Duplicator Co.'s "Copy-Rite Margi-Set" control, for single or multicolor reproduction, provides position control that raises or lowers copy from a small fraction of a line to a full seven lines.

Copy-Craft ORMIG features automatic shifting or elimination of columns, permits selection of data from a spirit master by columns in various combinations without masks or blockouts. Valuable in printing of selected information, production control systems, statistical records.

Duplicopy Model A-44 All-Star, with automatic feed, features pinpoint registration, vital in forms and systems work.

The Heyer Corp. Conqueror Model 76 spirit duplicator will print up to 110 copies a minute. Provides multicolor and automatic features.

Cormac's New Photocopier Has Self-Contained Units

With self-contained operating units, all supplies in one housing, a new photocopy machine designed especially for the smaller businessman is being introduced by Cormac Industries at the National Business Show in New York. The Cormac Scout weighs only 19 pounds and can be plugged in anywhere.

A noble part of every true life is to learn to undo what has been wrongly done.

—Anonymous

Legal Rulings and Opinions

Scientific Listening and Recording Devices Subjects of Controversies

By CARL B. EVERBERG
Attorney, Woburn, Massachusetts

THE modern business office is equipped with many useful electronic communicating, listening and recording devices. These scientific machines perform a multiplicity of missions in the business world.

Some of these instruments, however, can be used at times in a contemptible occupation—that of snooping. Embarrassing admissions often are made by persons using a telephone—embarrassing, that is, if the one making them is confronted by them in some recorded form. Wiretapping has made life uncomfortable for some people.

Law Restricts Usage

Because of the machinations of some human beings, for extortion, blackmail and similar evils, the law puts restraints on the applications of these techniques. Federal statutes as well as state statutes make the use of dictographs and wire-tapping illegal in the hands of those not connected with the police or crime detecting bureaus. The dictograph, an electronic listening device, is used with the aid of an open, sensitive microphone placed in a room in an inconspicuous place, to enable a listener to hear and record sounds. While this procedure is usually proper for the police, wiretapping in most places is not. Wiretapping consists of the use of some device to detect and record messages transmitted over telephone or telegraph wires. The law has been hesitant to afford the police the right to wiretap.

Frightening Instruments

In *Irvine v. California*, 347 U. S. 128, the Supreme Court of the United States made this statement: "Science has perfected amplifying and recording devices to become frightening instruments of surveillance and invasion of privacy, whether by policeman, the blackmailer, or the busybody."

In this case officers of the law entered the house of a suspected gambler and planted a microphone. Incriminating conversations were recorded and were admitted into

evidence. Under the California law, which permits the use of dictographs in the hands of the police and district attorney's office, it was held that a conviction on such evidence was proper. But, by inference, it would not have been proper if the evidence had been obtained by wiretapping, under the California statute.

W. H. Parker, chief of the Los Angeles police and a member of the California bar, pleads for legal authority to resort to wiretapping to cope with the lawless (see in *California Law Review*, December 1954, issue). The criminals have no consideration for the rights and privacies of the citizens, generally. Why, he asks, should the lawless element have such advantage over the law enforcement agencies?

Twice in Same Place

For the second time the Tennessee supreme court has upheld the state's Fair Trade Act, becoming the



DUPLICATING to avoid duplicating is the program of West-ward, Inc., pharmaceutical products distributor, in sending customers photocopies of original orders along with the invoices, and so simplifying the druggists' record-keeping. Using the Copease Duplex machine shown, the user gets duplicates in a matter of seconds by a combined printing and developing operation that does not require special lighting or darkroom accessories.

seventh state so to decide since the federal enabling statute, the McGuire Act, was passed in 1952. The other six are California, Delaware, New York, New Jersey, Pennsylvania and Wisconsin. Other high state courts that have upheld Fair Trade are those of Connecticut, Illinois, Louisiana, Maryland, Mississippi, North Carolina, South Dakota, Washington. Top courts that have ruled against it are in Arkansas, Florida, Georgia, Michigan and Nebraska.

In *Seagram Distillers Company v. Harry E. Corenswet*, a Nashville merchant, the Tennessee supreme court decision, written by Chief Justice Neil, sustained a ruling by the chancery court granting Seagram an injunction. The high court cited the earlier decision in *Frankfort Distillers Corp. v. Liberto* (190 Tenn. 478) and added:

"There is no merit in the contention that Seagram's is not a 'producer' or 'vendor' within the provisions of the Act. When the Act is considered and construed as a whole, it applies to any contract 'relating to the sale or resale of a commodity.'

Nowadays when a boy carries a girl's books home from school, he's probably looking for the answers to his arithmetic problems.

—Homer Phillips

Messenger Not Messenger

The plaintiff's vice president was authorized to convey \$1,500 to a second officer for auction purchases. It was the former's birthday and the latter persuaded him to attend a birthday party. Next morning only \$150 remained and the first officer couldn't account for the loss.

Both lower and superior court held the loss did not occur while the money was being conveyed by messenger. Superior court ruled that under the terms of the indemnity clause in the insurance policy the plaintiff must prove not only that the officer was a messenger but that the money was lost while being conveyed by him as the messenger, and found there was neither bailment nor transportation, as the two officers occupied the same office and the loss came several days before the auction. (*Television Corp. v. Hartford Accident and Indemnity Co.*, 113 A. 2d 47 (1955)).

PARTICIPANTS AND AWARD WINNERS-1955!

Stanford



JOHN C. WIESNER
Credit Manager
California Packing Corporation
San Francisco



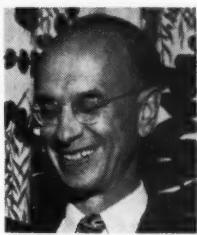
ALUMNI
'leadership'

THOMAS P. KELLY
Asst. Treasurer
Columbia-Geneva Steel,
Div. U.S. Steel Corp.
San Francisco



HOFFMAN
'executive development'

MILO HEFFERLIN
Asst. Vice President
Bank of America NT & SA
San Francisco



A.P.C.A.
'best management
study report'



GEORGE D. MASON
Vice Pres. & Treas.
Dunham Bros. Company
Brattleboro



FREDERICK B. UTLEY, JR.
Asst. Secretary
Hanover Bank
New York



HELEN R. FRANKLE
Asst. Treas.
Island Equipment Corporation
Long Island City



Dartmouth

GRADUATE SCHOOL OF CREDIT AND FINANCIAL MANAGEMENT

A professional development activity of the Credit Research Foundation, N.A.C.M.
229 Fourth Avenue, New York 3, N.Y.

Lorne Duncan on U.S. Mission To World Fair in Addis Ababa
LORNE D. DUNCAN, 1951-52 president of the National Association of Credit Men, has been named



L. D. DUNCAN

by the Department of Commerce to membership on the trade mission to represent the United States at the international trade fair at Addis Ababa, Ethiopia.

With the two-fold objective of promoting foreign trade and American prestige abroad, Mr. Duncan said, the business authorities and Government representatives are sent abroad by the Bureau of Foreign Commerce to advise and consult with foreign businessmen, trade groups and government officials regarding trade channels and practices, prior to the opening of each of the world fairs in which the United States participates.

During the fair Mr. Duncan and

others of the staff will officiate at the U.S. Trade Information Center, to supply immediate information on the American market.

Mr. Duncan, who heads a business consultant service in California following his retirement as general credit manager of National Distillers Products Corporation, New York, left Santa Barbara October 8th with Mrs. Duncan, who is making the globe-circling tour with him. After three days in New York, they proceeded to London on October 12th. Following visits to Paris, Geneva, Rome and other centers in Western Europe, they sailed for Africa and were to arrive in Ethiopia's capital October 31st.

When the international fair closes, they will return via India, Hong-kong, Japan and Honolulu.

Mr. Duncan called the missions "the greatest instruments for peace yet devised."

6 Rules of Ethics Drawn for Certified Public Accountants

Six rules of ethics for certified public accountants, prepared by the state board of examiners in Pennsylvania, have their special interest to grantors in Rule 2, recommending procedure in expression of opinions on financial statements, writes Harry C. Zug, of Lybrand, Ross Bros. & Montgomery, C.P.A. committee chairman, in *The Lens*, bulletin of the Credit Men's Association of Eastern Pennsylvania.

Rule 2 reads:

"In expressing an opinion on representations in financial statements which he has examined, a C.P.A. shall:

(a) Disclose any material facts known to him which are not disclosed in the financial statements but disclosure of which is necessary to prevent statements from being misleading;

(b) Report any material misstatements known to him to appear in the financial statements;

(c) Direct attention to any material departures from generally accepted accounting principles and disclose any material omissions of generally accepted auditing procedures applicable in the circumstances;

(d) In the absence of an unqualified opinion with regard to financial statements with which his name is associated,

(1) Express a qualified opinion, or

(2) State that no opinion is expressed regarding the statements as a whole, or

(3) Indicate that the statements

All the animals excepting man know that the principal business of life is to enjoy it.

—Samuel Butler

have been prepared from the books without audit.

The other rules adopted:

No. 1. Restricts use of the title "Certified Public Accountant" in signing a report.

No. 3. Forbids a C.P.A. to associate his name with an estimate of future earnings "in a manner which may lead to the belief that he vouches for the accuracy of an estimate of earnings."

No. 4. Relates to the confidential relationship of the C.P.A. and his client.

No. 5. Provides that a C.P.A. shall not engage in an occupation which impinges upon his independence as a professional accountant.

No. 6. Forbids fee-splitting with a person not engaged in public practice as a C.P.A.

Survey Shows More Pressure To Extend Discount Period

A slight trend toward liberalization of credit terms, particularly discount terms, is reported in a study published by the Credit Research Foundation of the National Association of Credit Men. Continuing pressure from customers for extension of the discount period is noted but terms in general are holding firm, with only 16 percent of the companies participating reporting any changes in terms since 1946, according to the survey "Terms of Sale and Collection Practices in 32 Industries."

Terms of sale, late payment and past due accounts, most commonly used methods of selling on a secured basis and maintenance of accounts receivable systems also are reported.

Atomic Coverage Studied

Insurance coverage of industrial peacetime atomic energy plants is one of the nation's knottiest problems, and continuing research will in due course evolve a realistic solution, J. Victor Herd, executive vice president of the America Fore Insurance Group and president of the National Board of Underwriters, told a meeting of the board in New York.

THE PERSONNEL MART

Junior Credit Man

NATIONALLY KNOWN MANUFACTURER is seeking a young man about 25 years old, with college degree preferred, for training and development in credit and finance functions. Mercantile credit experience desirable but not essential. Outstanding and unique long-term potentials. Company located in very desirable eastern community. Please submit complete resumé in confidence. Box CFM 422.

Credit Executive Available

EXPERIENCED in business management, law, finance, accounting, credits and collections, realty management, insurance brokerage and banking, merchandising and public relations. Former university instructor of finance. Box CFM 423.

Wide Experience

CREDIT MANAGER-ASST. CONTROLLER. Age 33. MBA degree in accountancy. Heavy mercantile & retail credit & collections experience in soft and hard goods lines. Background: Accounting, taxes, insurance, financial statement analysis, methods, procedures, audits. IBM training. Sales minded & cost conscious. Seeks challenging position. Box CFM 424.

Attention Detroit Area

CREDIT AND COLLECTION MANAGER. Wishes to secure position with large reputable concern in Detroit area. Best of references and experience. Box CFM 425.

The Credit Department has a Sales Function



By working closely with the Sales Department many Credit Executives are responsible for increased sales. When their own ledger experience, and that of others (as tabulated on Credit Interchange Reports) shows improvement in the customer's paying record, an expanded line of credit encourages increased orders . . . In some instances a calculated risk may be justified. In many cases, the risk may be negligible.

Get the facts!

e facts! Use Credit Interchange Reports freely. They give you definite and dependable information, in concise, carefully tabulated form. They call attention to conditions of which you may not be aware—favorable as well as unfavorable . . . Credit Interchange service is comprehensive. The Bureau serving your area will be glad to give you the interesting details—without obligation.

If you prefer... write

Credit Interchange Bureaus
NATIONAL ASSOCIATION of CREDIT MEN
612-14 Arcade Building . . . ST. LOUIS 1, MO.



CALENDAR OF EVENTS IMPORTANT TO CREDIT

HARTFORD, CONNECTICUT
October 26-27

Annual New England District Credit Conference, covering Connecticut, Rhode Island, Massachusetts, Maine, New Hampshire, Vermont.

JACKSONVILLE, FLORIDA
October 26-27-28

Annual Southeastern Credit Conference, covering Tennessee, Mississippi, Alabama, Georgia, Florida, South Carolina, North Carolina, Louisiana.

PITTSBURGH, PENNSYLVANIA
October 27-28

Ohio Valley Regional Conference, covering Ohio, Western Pennsylvania, West Virginia, and Eastern Michigan

PITTSBURGH, PENNSYLVANIA
October 28-29-30

Midwest Credit Women's Conference

DALLAS, TEXAS
November 13-16

Robert Morris Associates' Fall Conference

CLEVELAND, OHIO
November 14-15-16

Annual American Petroleum Credit Association Conference.

DELAVAN, WISCONSIN
January 11-13, 1956
Credit Management Workshop

CINCINNATI, OHIO
May 10-11, 1956
Annual Conference of N.A.C.M.
Secretary-Managers.

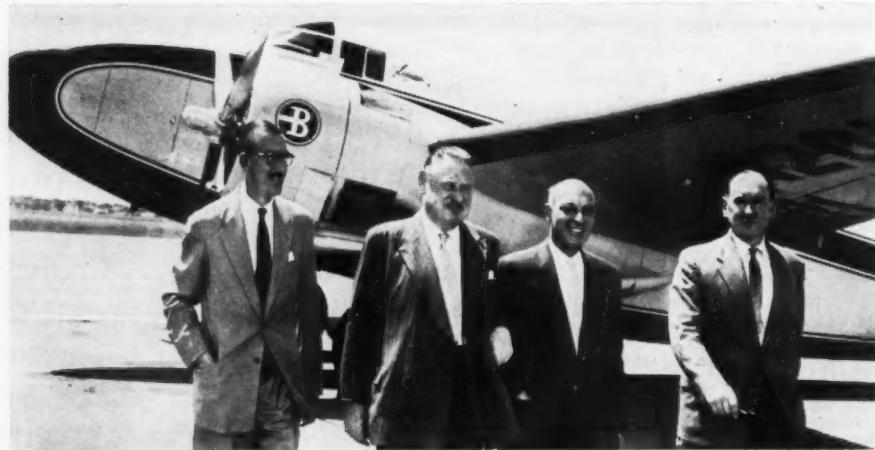
CINCINNATI, OHIO
May 13-17, 1956
60th Annual Credit Conference and Convention, National Association of Credit Men.

STANFORD, CALIFORNIA
July 8-21, 1956
Stanford University Session of the N.A.C.M. Graduate School of Credit and Financial Management.

HANOVER, NEW HAMPSHIRE
August 5-18, 1956
Dartmouth College Session of the N.A.C.M. Graduate School of Credit and Financial Management.

More of Same

ECONOMISTS' cautions that state and local government expenditures are on the march (which, translated, means higher taxes on business) are reinforced in conclusions of the research department of Federal Reserve of Cleveland.



INSPECTION of the latest electronic equipment brought executives of Lloyd's Bank of London to America. At Rochester, N.Y., they visited the Todd Company plant. Second from left is General R. F. E. Whittaker, Lloyd's general manager of administration. At his left is Todd's Vice President L. T. Thomasma. Extreme right: Lloyd's chief inspector, L. Temple; (far left) his assistant, J. G. McCartney. The Whittaker party first visited the Burroughs Company in Detroit, later went to the Burroughs research center at Paoli, Pa. (Burroughs plane in background).

I find that a great part of the information I have was acquired by looking up something and finding something else on the way.

—Franklin P. Adams

CREDIT PROBLEM

(Concluded from page 13)

Our area sales manager knew Howard's selling ability, enthusiasm and good character. Would he hire this man as a resale man?

A "resale man" is a goodwill man who calls on producers of poultry and livestock to interest them in using a certain brand of feed which then can be purchased from the regular dealer. Such orders as he gets are turned over to the dealer. He does not extend credit. His compensation is not directly related to sales.

The next morning I conferred with Howard and his wife. If I could figure out a plan to relieve him of his anxieties, could he and would he become a resale man? Both were enthused.

Our regular salesman and I then called on the well-rated feed firm previously mentioned, and made this proposal: If we hired its former competitor as a resale man to call on his old customers and new ones and bring the business to them, would they stock our line? They would and did.

Calling All Accounts

We sent a letter to all of Howard's old customers telling them Howard was to continue calling on them, that their account with the old firm had been assigned to us, they would continue to make payments to him, and further orders would be filled by our new dealer.

As the weeks rolled by, Howard not only helped bring business to our new dealer but every Monday morning we had from 3 to 15 checks he had collected from his former customers. These were turned over to us to liquidate his account. Before long, instead of the 20 per cent that probably would have resulted through bankruptcy, we had collected 70 per cent.

We had saved our volume of business, we had saved the business reputation of a fine family, we had saved "face" with the growers, and even today, years later, we occasionally get in a few more dollars from the accounts.

46 State Legislatures Met This Year

Certain to affect your everyday business operations are the many new laws and amendments enacted at the latest sessions.

November brings the 1956 Edition of the

CREDIT MANUAL OF COMMERCIAL LAWS

Here you will have for immediate reference a factual, simplified analysis of each statute change that applies to credit direction. NOTE: So widespread are these revisions of credit law that previous editions are outdated and using them could cause expensive mistakes.

Credit today is an aggressive operation, a selling job to increase profitable volume, as well as a protector of assets. All The More Reason why the 1956 MANUAL should be at your fingertips.

Management executives tell us they want the latest edition of the MANUAL on their desks because in it they quickly find, in clear, concise and *non-technical* language, the precise information they need to further their companies' interests in all credit transactions.

To make certain that the 1956 CREDIT MANUAL OF COMMERCIAL LAWS will go to work for you at the earliest possible date, *write today* and reserve your copy at the pre-publication price of \$7.85 (The regular price is \$10.00). By ordering now you save \$2.15.

PLUS THIS BONUS. If you send your check with your order, you will receive, at no extra cost to you, a brand-new booklet, "Triple Function of TODAY'S Credit Management," in which financial and credit managers present experience-reports of how Credit today bridges sales and treasury functions to increase profitable volume and build prestige.

Send your check today and get the benefit of this double offer of savings and bonus values with your copy of the 1956 CREDIT MANUAL OF COMMERCIAL LAWS.

Publications Department

NATIONAL ASSOCIATION OF CREDIT MEN

229 Fourth Avenue

New York 3, N.Y.

J. T. Overbey New President Of Robert Morris Associates

Active in the progress of Robert Morris Associates for 21 years, James T. Overbey, senior vice president of



J. T. OVERBEY

the First National Bank of Mobile, is the new president of the national association of loan officers and credit men with its more than 2,400 individual members representing 21 chap-

president of the Security Trust Company of Rochester (N.Y.), is the association's new first vice president. Its second vice president is William R. Chapman, vice president and director of the Midland National Bank of Minneapolis.

Named directors at the annual meeting in Philadelphia were Eugene E. Fincke, vice president, Mercantile Trust Company, St. Louis; Clarence G. Ivey, vice president, Connecticut Bank and Trust Company, Hartford; Clifford M. Kirtland, vice president, Manufacturers and Traders Trust Company, Buffalo, N.Y.; and Ralph T. Willard, executive vice president, cashier and director, Union Bank of Michigan, Grand Rapids.

Mr. Overbey, graduate of the American Institute of Banking and the Graduate School of Banking at Rutgers University, is a member of the Associates' executive committee, committee on cooperation with the American Bankers' Association, and chairman of the policy and planning committee. He was president of the Associates' Southeastern Chapter 1949-50.

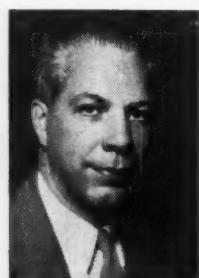
Mr. Ely, president (1943-44) of the Associates' Rochester and Central New York Chapter, was chair-

ters and close to 800 banks, some in Canada, Puerto Rico, Alaska and Hawaii.

J. Wallace Ely, executive vice



J. W. ELY



W. R. CHAPMAN

man of the bulletin committee and executive committee, policy and planning, and committee on planning with A.B.A.

Mr. Chapman, who headed the Associates' Minnesota Chapter in 1950-51, was 1939-40 president of the American Institute of Banking, is a faculty lecturer at the University of Wisconsin School of Banking, and has written a number of articles on banking.

New Trip Insurance Policy For 3 Days to 6 Months

Available for three-day to six-month periods is a new trip insurance policy of Fireman's Fund Insurance Group. Selective limits of coverage are up to \$50,000 for accidental death or dismemberment, \$5,000 for medical expenses due to accident, with payment to physician, surgeon, hospital, nurse, if the expense comes within 26 days of accident date.

Atomic Commercial Policy

To the Travelers Insurance Company, of Hartford, Conn., went the distinction of underwriting the policy for the General Electric atomic power station at West Milton, N.Y., which made the first commercial distribution of nuclear-generated electrical power in history, it stated.

ARE YOUR CREDIT FILES UP-TO-DATE?

- **KEEPING** Credit Files Up-to-Date during rapidly changing conditions is one of the difficult tasks facing Credit Executives today.
- Financial Statements provide the frame-work around which to build credit files. But such Financial Statements must be up-to-date and reflect the condition of your customers at frequent intervals.
- *This is where the standard forms published by the National Association of Credit Men will do yeoman's service for you. When you send your customer one of the standard N. A. C. M. Financial Statement Forms, you back your request with the prestige of your great nationwide organization.*

Write for Free Sample Book showing all the New and Revised Financial Statement Forms

Publications Department

NATIONAL ASSOCIATION OF CREDIT MEN
229 Fourth Avenue
New York 3, N.Y.

STATEMENT REQUIRED BY THE ACT OF AUGUST 24, 1912, AS AMENDED BY THE ACTS OF MARCH 3, 1933, AND JULY 2, 1946 (Title 39, United States Code, Section 233), SHOWING THE OWNERSHIP, MANAGEMENT, AND CIRCULATION OF CREDIT AND FINANCIAL MANAGEMENT, published Monthly at 404 No. Wesley Ave., Mount Morris, Ill., for November, 1955.

1. The names and addresses of the publisher, editor, managing editor, and business managers are: Publisher, National Association of Credit Men, 229 Fourth Ave., New York 3, N.Y.; Editor, Ernest A. Rovelstad, 229 Fourth Ave., New York 3, N.Y.; Managing Editor, none; Business Manager, Edwin B. Moran, 229 Fourth Ave., New York 3, N.Y.

2. The owner is: National Association of Credit Men, 229 Fourth Avenue, New York 3, N.Y., a non-stock corporation with the following officers: Pres.—Paul J. Viall, Chattanooga Medicine Co., Chattanooga, Tenn.; V.P.'s—A. Edward Southgate, The Philadelphia & Reading Coal & Iron Co., Philadelphia, Pa.; Irwin W. Stumborg, Baldwin Piano Co., Cincinnati, Ohio; William L. Holmes, Schlumberger Well Surveying Corp., Houston, Texas; J. Allen Walker, Standard Oil Co. of California, San Francisco, Calif.; Edwin B. Moran, New York, N.Y.; Exec. V.P. and Mgr.—Henry H. Heimann, New York, N.Y.; Treas.—Ruth H. Docto, New York, N.Y.; Secretary—P. J. Gray; Asst. Treas.—Rose Woodruff.

3. The known bondholders, mortgagees, and other security holders owning or holding 1 percent or more of total amount of bonds, mortgages, or other securities are: None.

4. Paragraphs 2 and 3 include, in cases where the stockholder or security holder appears upon the books of the company as trustee or in any other fiduciary relation, the name of the person or corporation for whom such trustee is acting; also the statements in the two paragraphs show the affiant's full knowledge and belief as to the circumstances and conditions under which stockholders and security holders who do not appear upon the books of the company as trustees, hold stock and securities in a capacity other than that of a bona fide owner.

ERNEST A. ROVELSTAD, Editor

Sworn to and subscribed before me this 14th day of September, 1955.
(Seal) GERTRUDE J. JUDGE
(My commission expires March 30, 1956)



GODSPEED for Mr. and Mrs. S. J. (Bud) Haider (right), who has resigned as secretary-manager of the Minneapolis Association of Credit Men to return to the National, was bespoken by the Minneapolis president, Fred C. Livermore, treasurer, Kaufman Knitting Co., at a farewell gathering arranged by the board of directors.

Philadelphia Marginal Account Panels Will Have 23 Speakers

Attesting recognition of the significance of the marginal account to credit operation in today's increasingly competitive business undertakings is the ambitious and comprehensive program of five panel presentations on successive Monday evenings by and for the membership of The Credit Men's Association of Eastern Pennsylvania, at Philadelphia. The final study group session will be on November 21st. In all, there will be 23 addresses.

Following, in order, are the panel topic and moderator of each meeting.

Defining and Identifying the Marginal Account: J. A. Eiseman, The Pennsylvania Company for Banking and Trusts.

Special Controls: Harry Wilkinson, John B. Stetson Company.

Legal Safeguards: R. D. Franklin, The First National Bank of Philadelphia.

Calling on the Marginal Account for Information: P. E. Schenck, Container Corporation of America.

Counseling the Marginal Account: John T. Brown, Jr., Hajoca Corporation.

*My mind is made up.
Don't confuse me with the
facts.*

—K.V.P. Philosopher

HOME STUDY OPPORTUNITIES

The National Institute of Credit offers a college-level correspondence study program in credit and finance for men and women who have the ambition and determination to make profitable use of their leisure hours. The Institute has offered correspondence study courses since its founding in 1918.

The program is designed for:

- 1) Credit executives seeking additional specialized knowledge.
- 2) Younger men and women desiring thorough training for a career in credit and financial management.
- 3) Those requiring credit knowledge in related operations, such as sales and purchasing.

The correspondence courses are the equivalent of those taken in resident sessions. All correspondence courses are acceptable for the Institute's Award Programs.

FREE BOOKLET AVAILABLE

Write for

"Correspondence Study Catalogue"

to

NATIONAL INSTITUTE OF CREDIT

Credit Research Foundation

229 Fourth Avenue

New York 3, N. Y.

UP THE EXECUTIVE LADDER

JOHN E. LEDBETTER has been named secretary and a director of Northrup King & Company, Minneapolis. Mr. Ledbetter began with the organization 36 years ago and served as credit manager and general credit manager before becoming assistant secretary in 1951. In the Minneapolis Association of Credit Men and Associated Creditors, Inc., he was a member of the board from 1930-33 and president in 1933. In the National Association of Credit Men he served as a director from 1941-44. He is a graduate of Hamline College and Minnesota College of Law, and is a member of the bar.

When HOWARD R. MEDICI went with The Visking Corporation, Chicago, in 1929, he was told the company "wasn't going anywhere" but he had faith in the future of Visking, which now is a leading producer of cellulose sausage casings and plastic products. He advanced progressively to vice president in 1933 and member of the board in 1943, meanwhile adding the responsibilities of secretary and treasurer. In 1953 he was appointed executive vice president. Now he is president of the corporation.

H. C. GWENN has become vice president-finance, Sunbeam Corporation, Chicago, retaining his former responsibilities as treasurer and controller. He also is a director. Mr. Gwinn started his accounting career with the General Vending Company and went with Sunbeam in 1928 as assistant auditor. He advanced to controller, assistant secretary and assistant treasurer in 1938; to treasurer and controller in 1944.

JOSEPH R. LAYTON has been promoted to manager of the refinery accounting department, Sun Oil Company, Philadelphia. On graduation from the Wharton School of

the University of Pennsylvania in 1947 he joined Sun Oil as a senior clerk. He has been special assistant and assistant office manager with the accounting department.

LEM W. BOWEN is now assistant treasurer of Burroughs Corporation. He joined the company in 1937.

He joined Burroughs' sales division, following graduation from Dartmouth College in 1937. On his return from military service in 1946 he was made assistant to the president. He became special assistant to the vice president of finance in 1954.

JOHN E. BERGMAN has become vice president and controller, Park & Tifford Distillers Corporation, New York. He had been 19 years with Schenley Industries, Inc., in the finance division.

WALTER HAMMOND has advanced to credit manager, Spencer Kellogg and Sons, Inc., Buffalo, N.Y. He began his credit career in 1934 with Philip Morris & Co., Ltd., as assistant credit manager. He subsequently became a credit analyst with Dun & Bradstreet, Inc., specializing in the paint and rubber manufacturing industries.

JEROME R. ALLEN, JR., has been appointed assistant vice president, William Iselin & Company, Inc., New York City. He had been a field representative for the company's Chicago office since 1950. Prior associations were with James Talcott, Inc., New York, and Dunwoody, O'Bryan & Company, Chicago.

FRANCIS L. COOPER has been elected assistant secretary, United International Corporation, subsidiary of United Merchants & Manufacturers, Inc. In the last 20 years Mr. Cooper has been export credit manager of United International Corpo-

ration, Cohn-Hall-Marx Company and United Factors.

GEORGE HEIDEMANN has been advanced to treasurer of F. J. Schleicher Paper Box Company, St. Louis, Mo.

WILLIAM E. DAVISON has rejoined the National Commercial Bank & Trust Company, Albany, as assistant cashier in the commercial loan department. He had been with the bank earlier before going with Central National Bank of Canajoharie, of which he was assistant vice president.

General Motors Acceptance Corporation has promoted JAMES D. DEANE to executive vice president in charge of the operating staff. At the same time Gavin Brackenridge has been named vice president in charge of branch operations in the United States and Canada, succeeding Mr. Deane, and Elmer E. Hutcheson has been named vice president of the corporation.

ISAAC NAEYE, with Philco Corporation since 1931 in corporate accounting and finance positions, has been appointed assistant treasurer.

FRED J. HERTEL, formerly credit manager, Elgin National Watch Company, Elgin, Ill., has been elected assistant treasurer. Prior to joining Elgin in 1946 he was associated with the general offices of Wilson Brothers in Chicago. A director of the Chicago Association of Credit Men, Mr. Hertel also has attended the Graduate School of Credit and Financial Management, N.A.C.M., at Dartmouth.

Harold E. Corr, named a vice president, continues his duties as assistant to the president and will supervise the purchasing and abrasives division besides coordinating watch manufacture and marketing.



J. E. LEDBETTER

H. C. GWENN

H. R. MEDICI

WALTER HAMMOND

L. W. BOWEN

F. J. HERTEL

J. R. ALLEN